Saskatchewan Liquor and Gaming Authority

1998-2000 Annual Report

To distribute, control and regulate beverage alcohol and gaming products throughout Saskatchewan in ways that promote social responsibility, fairness and cost-effectiveness.

101-06707/

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Our Mission

To distribute, control and regulate beverage alcohol and gaming products throughout Saskatchewan in ways that promote social responsibility, fairness and cost-effectiveness.

Our Vision and Values

- Access by the public to liquor and gaming products, services and benefits is fair.
- Public use of liquor and gaming products is responsible.
- Revenues produced by liquor and gaming assist charities, business and the province to realize their goals.
- Our customer service is excellent, our business operations are progressive and mutual respect is practiced among all employees.

Minister's Letter of Transmittal

Regina, Saskatchewan
May, 2001

The Honourable Lynda Haverstock
Lieutenant Governor of Saskatchewan

Your Honour:

I am pleased to submit the annual report of the Saskatchewan Liquor and Gaming Authority for the period ending March 31, 2000. This report includes the financial statements in the form required by the Treasury Board and in accordance with *The Alcohol and Gaming Regulation Act.*

During 1999/2000, the Authority built on past successes and introduced some new initiatives to improve the liquor and gaming industries in the province for stakeholders, consumers and the general public. The year also presented a number of challenges which were well met by the Authority's staff. I look forward to the Authority's continued successes in 2000/2001.

Respectfully submitted,

Doreen Hamilton
Minister Responsible for the Saskatchewan Liquor and Gaming Authority

Regina, Saskatchewan
May, 2001

The Honourable Doreen Hamilton
Minister Responsible for the
Saskatchewan Liquor and Gaming Authority

Madam:

On behalf of the staff of the Authority, I am pleased to present the seventh annual report of the Saskatchewan Liquor and Gaming Authority for your consideration. This report details the activities of the Authority for the fiscal year ending March 31, 2000 in accordance with *The Alcohol and Gaming Regulation Act.*

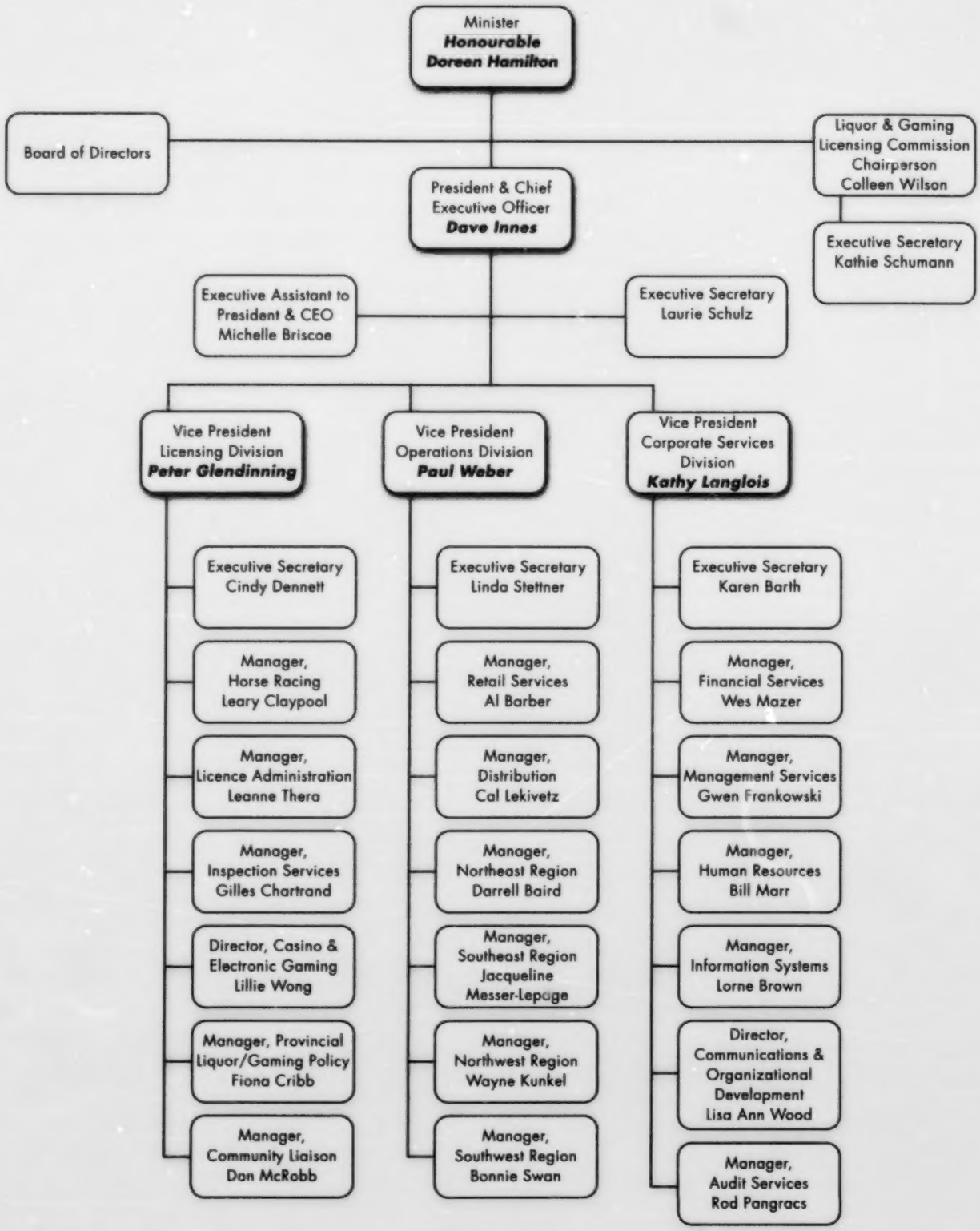
Sincerely,

Kathy Langlois

Kathy Langlois
President and CEO

Organization Chart

Saskatchewan Liquor and Gaming Authority



March 31, 2000

1999/2000 was marked by solid accomplishments for the Saskatchewan Liquor and Gaming Authority, as it balanced economics with social responsibility to provide government funding to support key government programs in areas including health, education and highways.

The Authority's commitment to social responsibility was shown in 1999/2000 through continued funding of several social responsibility initiatives, including a VLT training program on problem gambling and new initiatives on Fetal Alcohol Syndrome (FAS) awareness, as well as the launch of a new identification program.

Through continued sponsorship of the province's designated driver program, *Have Someone for the Road*, the Authority provided support to this worthwhile initiative to curb drinking and driving in the province. Other social responsibility sponsorships in the liquor area included support for the *It's Good Business* server intervention program.

A new identification policy for all Authority liquor stores, and those hospitality operations who wish to participate, was launched in June. The policy, designed to discourage purchase of alcohol by minors, tightens identification requirements for those individuals purchasing liquor, requiring them to show three pieces of identification, if asked.

The Authority also sponsored a number of FAS public awareness initiatives during December 1999 and March 2000. The campaign included radio and television advertising and production of a poster.

In addition, the first series of training sessions for the VLT site contractor training program sponsored by the Authority wrapped up this year, with approximately 900 servers, managers and owners of VLT sites receiving training about problem gambling. The program enables them to develop socially responsible business policies, including a range of customer assistance strategies to help patrons who may have a problem with VLT gaming.

Recognizing that its success and its contributions to the province depend upon healthy, motivated and well-trained staff, supported by quality business operations, the Authority is committed to continuous improvement and renewal.

Work continued as a result of an Aboriginal Partnership Agreement signed in February 1999 by the Authority's Minister, along with the provincial Minister of Intergovernmental and Aboriginal Affairs (IAA). Under this partnership, the Authority works with IAA, the aboriginal community, unions and employees to develop programs that facilitate constructive race and cultural relations within the Authority, focus on aboriginal employment and career development in the context of a representative workforce, and build linkages to the aboriginal labour force. The Authority has hired an Aboriginal Employment Coordinator, and is designing aboriginal awareness training for all staff.

Efforts continued to maintain and enhance a positive working relationship with the three union bargaining units that represent all in-scope staff in the Authority. The Authority and the three bargaining units began negotiating a single amalgamated agreement for all in-scope employees in early 2000.

Also in 1999/2000, the Authority continued its unique partnership with the federal government, providing all full-time and part-time SLGA staff with access to the Career Centre for Saskatchewan Federal Employees. This is a comprehensive, up-to-date library of print, video and audio learning materials. In addition, the Authority continued to deliver the Leadership Development Program to

staff, involving staff in substantive and innovative workshops that enhance personal leadership effectiveness and foster a supportive, accepting, learning culture that embraces diversity and inclusiveness.

During 1999/2000, the Authority completed its implementation of PeopleSoft's™ Enterprise Resource Planning (ERP) system. The ERP system automates many business processes, which will improve operational efficiency.

The province's liquor store system was improved during 1999/2000. Renovations were completed to the historic CP Rail Station in Moose Jaw, as part of a partnership between the Authority, the City of Moose Jaw, and its tourism groups. The Authority also partnered with the City of North Battleford, in anchoring its Town Square development plan with a new liquor store. Construction has started on the new building and is expected to be completed in July 2000. The Authority's new Normanview Mall Liquor Store in Regina also opened in March 2000, with a customer service innovation new to Saskatchewan.

The province's liquor store system was improved during 1999/2000.

A "bottle-your-own" wine concept has been incorporated into the store. This allows customers to choose from a variety of bulk wines, and then bottle the wines themselves in-store.

As of March 31, 2000, there were 81 liquor stores in the province, and 187 franchise operations.

Casinos in the province continued to establish themselves as part of the province's entertainment and tourism industry.

As of March 31, 2000, there were 81 liquor stores in the province, and 187 franchise operations.

First Nations-operated casinos are located in Prince Albert, Yorkton, North Battleford and on the White Bear First Nation, near Carlyle. Casino Regina operates from the province's capital, and is managed and owned by the Saskatchewan Gaming Corporation. In addition, the Saskatoon Prairieland Exhibition Corporation operates the Emerald Casino on a full-time basis in Saskatoon, and the Golden Nugget Casino is operated four days a week in Moose Jaw by that city's exhibition association. All casinos are regulated by the Liquor and Gaming Authority.

First Nations casinos provided employment for 1,160 people this fiscal year, 72 per cent of whom are aboriginal. Casino Regina has 584 employees, approximately 51 per cent of whom are aboriginal.

The province's hospitality industry was also strengthened in 1999/2000, with a significant change in the commercial liquor permit system announced in March. The Authority announced that changes would be introduced to remove the distance and population restrictions for off-sale permits in the province's four largest cities - Regina, Saskatoon, Prince Albert and Moose Jaw. The changes will allow all permittees with a tavern permit or a brew pub permit in those four cities to apply for an off-sale permit, rather than restricting the number of permits available to a community, based on population and distance between businesses. The move was designed to level the playing field for all hotel and brew pub taverns in the cities, and was based on an independent review and consultation with the industry.

First Nations casinos provided employment for 1,160 people this fiscal year, 72 per cent of whom are aboriginal. Casino Regina has 584 employees, approximately 51 per cent of whom are aboriginal.

In 1999/2000, there were also improved VLT revenues to site contractors. Charity gaming revenues continued to be stable, and major initiatives, including a linked bingo game and breakopen ticket vending machines, were introduced during the year. They are intended to further enhance charity gaming revenues. The horse racing handle, however, decreased in 1999/2000, mainly due to decreased wagering at northern teletheatres.

In closing, I would like to thank the Minister, the Board and the management and staff of the Authority for your support, guidance and contributions to our success in 1999/2000. I look forward to continuing our achievements in the coming year.

The Saskatchewan Liquor and Gaming Authority is a Treasury Board Crown corporation responsible for the distribution, control and regulation of liquor and gaming across the province. The Authority achieves this purpose through socially responsible, fair, and cost-effective services and programs delivered by employees located at: its head office in downtown Regina; a liquor distribution centre in Regina; an office in downtown Saskatoon; and a network of 81 liquor stores in communities throughout the province.

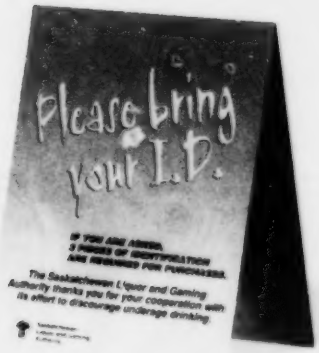
The Authority is the main distributor of and sole licensing agent for the sale of beverage alcohol in Saskatchewan. It also operates the video lottery terminal program through its agent, Western Canada Lottery Corporation, and licenses and regulates most forms of gaming, including bingo, raffles, casinos, breakopen tickets and horse racing.

Overall, the Authority is guided in its operations by the following strategic goals:

- To provide and control equitable licensing and revenue opportunities to charities and business;
- To promote responsible use of liquor and gaming products;
- To promote and improve integrity in the liquor and gaming industries;
- To build responsive, cooperative relations with customers, interest groups and the public;
- To develop and maintain legislation and policy that is fair, clear and contemporary;
- To achieve net income targets through innovative revenue and expenditure strategies; and
- To improve service, teamwork and business processes continuously throughout the Authority.

The Authority is governed by *The Alcohol and Gaming Regulation Act*. It administers *The Alcohol Control Regulations, 1994* and *The Gaming Licensing Regulations*.

Please bring your I.D.
IF YOU ARE ASKED, 3 PIECES OF IDENTIFICATION ARE REQUIRED FOR PURCHASES.
We will accept any three of the following pieces of valid identification:
Driver's Licence
Birth Certificate
Treaty Card/Status Card
Debit Card
Armed Forces Identification Card
Baptismal Certificate
University or College Identification Card (with photo)
Health Card
Social Insurance Card
Credit Card
Citizenship Certificate
Passport
One of the three pieces must display your birth date.
The Saskatchewan Liquor and Gaming Authority thanks you for your cooperation with its effort to discourage underage drinking.
PLEASE BRING YOUR IDENTIFICATION.
If you do not have three pieces of identification, we cannot serve you.


Please bring your I.D.

Don't drink and drive.
Think about it.
Please. Don't go overboard!

The Saskatchewan Liquor and Gaming Authority continued to guide and provide support to various social responsibility initiatives during 1999/2000, as part of its mission to distribute, control and regulate beverage alcohol and gaming products in ways which promote social responsibility, fairness and cost effectiveness.

The Authority continued to play a partnership role in anti-drinking and driving initiatives, and initiatives aimed at educating the public on the dangers of drinking alcohol during pregnancy. In addition, the Authority provided training for servers in establishments with video lottery terminals (VLTs) to assist them in gaining knowledge about gambling addictions. The Authority also launched its own improved identification requirements for purchasing alcohol, in cooperation with the liquor permittee industry.

Responsible Use of Liquor

Please Bring Your I.D. Program

The *Please Bring Your I.D.* program was launched at the end of June 1999. It was developed by the Authority, with the cooperation and support of the Hotels Association of Saskatchewan and the Canadian Restaurant and Foodservices Association.

The program is an interim measure to reduce the availability of alcohol to minors through the use of false identification. Presently, a committee with representatives from the Authority, the liquor industry, and SGI are reviewing identification safeguards for the drivers' licence system in the province, to ensure that these licences, which are often used as proof of age in purchasing liquor, cannot be easily falsified or copied.

While the committee continues its work, the Authority has introduced the *Please Bring Your I.D.* program on a mandatory basis in its liquor stores, and on an optional basis for the hospitality industry.

The program requires customers, if they are asked, to provide three pieces of valid identification. The accepted pieces are:

- Driver's Licence;
- Birth Certificate;
- Treaty Card/Status Card;
- Debit Card;
- Armed Forces Identification Card;
- Baptismal Certificate;
- University or College Identification Card (with photo);
- Health Card;
- Social Insurance Card;
- Credit Card;
- Citizenship Certificate;
- Passport.

One of the three pieces must display the customer's birth date. If a customer does not have three pieces of identification, that person cannot be served at the province's liquor stores. Program materials were also provided free-of-charge to all 1,600+ liquor permitted establishments in the province. To date, store staff report a positive response to the program, as it has ensured that individuals know they may need more than one piece of identification in order to be served.

Fetal Alcohol Syndrome Awareness

The Authority also continued and expanded its efforts to assist in the prevention of Fetal Alcohol Syndrome (FAS) in the province. FAS is caused by alcohol use during pregnancy, and leads to life-long learning and behavioural difficulties in affected children.

The Authority is a member of the Provincial FAS Coordinating Committee, chaired by the Saskatchewan Institute on Prevention of Handicaps. The committee has representatives from a number of government agencies, as well as community and aboriginal groups.

During 1999/2000, the Authority sponsored a number of public awareness initiatives during December 1999 and March 2000, at a cost of $10,000. The campaign included radio and television advertising and production of a poster. The featured advertisement for both the radio and television campaigns was developed by the Prevention Institute and CBC TV. The English-language version, broadcast on radio in the southern areas of the province and on the television spots, was translated into Cree and Dene languages for radio broadcast in the province's north. The poster reproduced with the Authority's funding was created by the Sturgeon Lake Health Centre, titled *Let the Traditional Spirits Guide You.* It was distributed to all Saskatchewan health centres.

Social Responsibility

Liquor store bags and till tapes continue to display an FAS awareness message introduced in October 1997.

The Authority also continued and expanded its efforts to assist in the prevention of Fetal Alcohol Syndrome (FAS) in the province. FAS is caused by alcohol use during pregnancy, and leads to life-long learning and behavioural difficulties in affected children.

The message, *Drinking Alcohol During Pregnancy Can Harm the Baby - We Have Fetal Alcohol Syndrome in our Community - Let's Find A Solution*, also appears on posters displayed in the liquor stores and provided to hospitality establishments.

Designated Driver Program

The Authority, in partnership with the Hotels Association of Saskatchewan, SGI and Saskatchewan Health, funds a provincial designated driver program, *Have Someone for the Road*. The Authority has supported the program with $30,000 in annual funding since its establishment in 1995.

Have Someone for the Road promotes the message that individuals should not drink and drive, by encouraging groups to designate a driver. When visiting a participating liquor-permitted establishment, the designated driver receives a wristband or handstamp to identify him or her to the server. The driver receives free, non-alcoholic beverages, and in turn, ensures his or her group gets home safely.

The provincial program, which has also obtained private sector partnership, provides promotional materials to participating establishments below cost. The establishments display materials to promote the program, and provide non-alcoholic beverages to the designated driver. More than 300 establishments are presently promoting the program.

Efforts continued during 1999/2000 on development of further incentives for participating establishments. To this end, a survey is planned for early 2000/2001 to obtain feedback on potential new materials, advertising of participating businesses, and to determine how the program can be improved. Additional radio advertising was also conducted during the year, targeted at the long weekends during the summer months, and the holiday season in December.

Have Someone for the Road promotes the message that individuals should not drink and drive, by encouraging groups to designate a driver.

These advertisements were efforts to both raise awareness of the need to designate a driver, during holiday times when drinking alcohol is more prevalent, as well as raising awareness of businesses participating in the program.

Work also continued on the development of new posters for the campaign. Distribution of the "new look" will take place in 2001 to all participating establishments and liquor stores in the province.

The Authority also promotes the responsible use of beverage alcohol through its retail outlets. Since 1995/96, liquor store bags and cash register tapes have carried the *Have Someone for the Road* designated driver message.

It's Good Business

In 1999/2000, for the second year, the Authority joined SGI, Saskatchewan Health, the Saskatchewan Tourism Education Council and Labatt Breweries in supporting another initiative to address the issue of alcohol problems. The *It's Good Business* server intervention program is coordinated by the education council. It trains servers in liquor permitted establishments effective intervention techniques, if a patron demonstrates a problem with alcohol.

The Authority has a representative on the program's committee and contributes to its overall direction and activities.

Canadian Association of Liquor Jurisdictions (CALJ) Initiatives

During 1999/2000, the Authority also took part in an initiative coordinated by the Canadian Association of Liquor Jurisdictions (CALJ). Representing liquor control agencies across the country, CALJ planned a nation-wide poster campaign, to raise awareness of the negative consequences of mixing alcohol and water activities. Saskatchewan's 81 liquor stores displayed a *Don't Drink and Drive* poster, urging people not to drink alcohol and operate a boat. Some other jurisdictions also used this poster; others used one titled *Don't Go Overboard*, which also promoted

boat and water safety. Both posters will be used for a campaign in 2000/2001 in Saskatchewan. The poster designs are featured in this section of the annual report.

Responsible Use of VLTs

SLGA operates and regulates the network of video lottery terminals (VLTs) across the province. As part of its commitment to the responsible use of gaming products, the Authority maintains a cap on the number of VLTs and restricts the placement of VLTs to age-restricted, liquor-permitted establishments. This ensures minors do not play the machines and do not watch them being played.

As well, all VLTs in the province display Saskatchewan's 1-800 Help Line number for problem gamblers on stickers placed next to the machines' buttons and through a message that scrolls across the screen of each VLT. All VLT sites are required to display posters provided by Saskatchewan Health providing the Help Line number for problem gambling assistance.

To further promote the responsible use of VLTs, in 1998/99, the Authority developed and delivered a site contractor training program.

All VLTs in the province display Saskatchewan's 1-800 Help Line number for problem gamblers on stickers placed next to the machines' buttons and through a message that scrolls across the screen of each VLT.

This initiative provides training to VLT site contractors to enable them to develop socially responsible business policies, including a range of customer assistance strategies to help patrons who may have a problem with VLT gaming. The first series of training sessions wrapped up in 1999/2000, with approximately 900 people taking part.

To further promote the responsible use of VLTs, the Authority developed and delivered a site contractor training program.

The program was directed by the VLT Site Contractor Training Steering Committee, which is comprised of representatives from the Authority, the Hotels Association of Saskatchewan, the Restaurant and Foodservices Association and Saskatchewan Health. Davis Ward Consulting and Training of Winnipeg conducted the training sessions.

The one-day training sessions were mandatory for at least one individual, preferably a manager or owner, in each establishment with VLTs. The cost of the development and delivery of the sessions was paid for by the Authority, while the site contractor was responsible for travel, meal and salary costs.

The results of a follow-up questionnaire, sent to all attendees, are being studied. The Authority plans to continue training initiatives in this area in 2000/2001.

RUM

The province's hospitality sector remained strong in 1999/2000, with significant changes to the off-sale system announced, and other customer service opportunities provided to permittees.

Commercial Permittees

The total number of commercial liquor permits issued in the year was 1,682, a decrease of nine from the previous year. There was little movement within categories, as permit numbers remained the same or virtually the same in all areas.

Off-Sale Changes

An important change to the commercial permit system was announced in March, 2000, respecting off-sale endorsements. The Authority announced that regulatory changes would be introduced to remove the distance and population restrictions for off-sale endorsements in the province's four largest cities - Regina, Saskatoon, Prince Albert and Moose Jaw. The changes will allow all tavern permit holders operating as a hotel, motel or brew pub in those four cities to apply for an off-sale endorsement, rather than restricting the number of endorsements available to a community, based on population and the distance between businesses.

The move was designed to level the playing field for all hotel and brew pub taverns in the cities. It was based on an independent review and consultation with the industry, conducted by Regina lawyer Myron Gulka-Tiechko in 1999. The review indicated that simplifying the rules, and allowing the market to determine the number of off-sales in these communities, would provide benefits to both the businesses and the Authority.

Under the present system, there is intense competition for off-sale among urban hotel taverns and brew pubs, resulting in ongoing legal challenges to both the Liquor and Gaming Licensing Commission and the courts.

The total number of commercial liquor permits issued in the year was 1,682, a decrease of nine from the previous year.

Simplifying the rules will greatly reduce costly and unproductive legal action. At the same time, it will allow the Authority to continue to perform its more important regulatory role, protecting the public by enforcing age restrictions and promoting the socially responsible use of beverage alcohol.

In conjunction with these changes, new criteria are being introduced for brew pubs, to ensure they are viable businesses in their own right. The criteria, which will include minimum production requirements, will be developed in consultation with the industry.

Legislative and regulatory changes are expected to be introduced during the 2000 spring session of the Legislature and should be passed into law later in 2000.

No changes will be made to the off-sale system in rural Saskatchewan, where the market appears to be quite stable. Rural Saskatchewan is well-served by the existing off-sale system.

New Year's Eve 1999

In recognition of the uniqueness of millennium celebrations on New Year's Eve, 1999, Saskatchewan joined other provinces in extending hours of liquor service in the province for that night only. Hours of service were extended until 4 a.m. on January 1, 2000, for all commercial liquor permittees in the province.

While the Authority regularly extends permitted hours of service on New Year's Eve, the extended hours usually end at 2:30 a.m., with a tolerance period until 3:30 a.m. This is half an hour later than the everyday end of service time. On this New Year's Eve, extended hours ended at 4 a.m., with a tolerance period until 5 a.m.

The hours extension was requested by many permittees. However, because commercial permittees did not have to apply to the Authority for special permission to operate during the extended hours, it is not known how many establishments took advantage of the special hours.

Special Occasion Permittees

The number of special occasion permits issued decreased by 339 to 20,404 this year, but the system remained well-used by groups, clubs and families in the province.

The number of special occasion permits issued decreased by 339 to 20,404 this year, but the system remained well-used by groups, clubs and families in the province.

Special occasion permits are issued for events such as: family gatherings, including weddings; community events, such as exhibitions and festivals; and club meetings, so the total number of permits issued in any particular year tends to fluctuate.

Liquor - Permittees

The number of permits issued in each category also tends to fluctuate.

For example, this year, the number of Non-Sale permits, which allow liquor to be served, but not sold, at family events, decreased by 213; however, the number of Cost Recovery permits, which allow liquor to be sold at a price only sufficient to cover costs, increased by 229. In addition, the numbers can fluctuate based on the number of groups which choose to use commercial establishments for their events, as commercial establishments do not need an additional special occasion permit to provide liquor to event guests at their hotel or restaurant.

The special occasion permit system has not been reviewed in a number of years, and the Authority has struck an internal committee to review all aspects of the system. Recommendations regarding any legislative, regulatory or policy amendments will be made in late 2000.

Commercial Liquor Permits Issued

Type of Permit	March 31, 1999	March 31, 2000
Tavern Permits (Beverage Rooms)	476	*479
Tavern Permits (Nightclub)	39	42
Tavern Permits (Brew Pub)	12	**14
Restaurant Permits	480	***468
Restaurant Permits (with Lounge Endorsement)	327	323
Special Use Permits	337	****334
Manufacturer Permits (Brew Pubs)	15	16
Manufacturer Permits (Brewer)	4	4
Manufacturer Permits (Winery)	1	2
TOTALS	**1,691**	**1,682**

* Seven have no off-sale endorsement.
** Six have domestic off-sale endorsement; nine have own product off-sale endorsement.
*** In addition, four seasonal restaurant permits were issued and expired prior to March 31, 2000.
**** In addition, 90 seasonal special use permits were issued and expired prior to March 31, 2000.

Special Occasion Permits Issued

Type of Permit	1995/96	1996/97	1997/98	1998/99	1999/2000
Non-Sale	6,414	5,844	5,868	5,402	5,189
Annual	163	303	314	279	292
Sale of Liquor	10,003	9,756	9,593	9,795	9,403
Cost Recovery	3,704	4,045	4,095	4,066	4,295
Community Event	769	881	917	1,118	1,125
Other	84	85	93	83	100
TOTALS	**21,137**	**20,914**	**20,880**	**20,743**	**20,404**

The Authority operates 81 liquor stores, including four full-line specialty stores. Located on Second Avenue and Eighth Street in Saskatoon, and South Albert and Victoria East in Regina, these stores carry all products listed by the Authority. The Authority also operates three duty-free shops located in the Saskatoon and Regina airports and at the North Portal border crossing.

The province's franchise system also continued to flourish in 1999/2000, with service provided to 187 communities. The franchise system allows private businesses to enter into an agreement with the Authority to sell beverage alcohol on its behalf in a community not served by a liquor store.

Improvements to the province's liquor retail system continued this year, with a number of customer service enhancements implemented and facilities upgraded.

Customer Service Enhancements

A major aspect of the Authority's customer service enhancements is upgrading the province's system of 81 liquor stores.

Two facility upgrades were completed 1999/2000, and another project was launched.

In Moose Jaw, the Authority partnered with the city and the city's tourism groups in renovating the former CP Rail Station on Main Street in that community for use as a liquor store. Renovating the station as a liquor store provides a boost to the community's plans to revitalize its downtown and adds interest to its tunnel tourism initiatives.

The Station Centre Liquor Store opened November 22, recreating Moose Jaw's history. In the 1920s, the CPR station was a hive of local activity and transport. The building was empty and deteriorating when the Authority began its renovations. Now, the station includes many of the original architectural features, including the terracotta tiles and ticket wicket, which have been refurbished. The stately clock tower is being repaired, and some of the original benches from the station have been incorporated into the design of the store. Even new features, such as the lighting, have been designed to reflect the historic era. A mural, depicting the station's place in the city's history, is being planned for the spring of 2000.

In addition, the store now offers Moose Jaw liquor store customers more space, more products and better access to service. The Fairford Street liquor store in Moose Jaw moved its operations to the new building, and the Fairford Street building has been tendered for sale by the Authority. Operations at the South Hill liquor store in Moose Jaw are not affected.

In January, the Authority announced construction would begin on a new $1.1 million liquor store in North Battleford. This was another project in which the Authority partnered with the community to further the city's revitalization plans.

The Authority partnered with the City of North Battleford and agreed to anchor its Town Square development plan with this building. The store plays an important role in the city's major revitalization of its central business district. Located at the corner of 100th Street and Railway Avenue, the store will maintain the architectural integrity of the area with exterior design complementing the neighbouring Allan Sapp Gallery and the Court House.

In January, the Authority announced construction would begin on a new $1.1 million liquor store in North Battleford. This was another project in which the Authority partnered with the community to further the city's revitalization plans.

Columns salvaged from the demolished Royal Bank Building will be incorporated into the building's façade.

The new liquor store location will also enhance customer service through expanded parking, easier access, increased product selection and extended hours of operation.

The project is expected to create the equivalent of 15 full-time jobs in Saskatchewan's construction industry, and to be completed in July 2000.

Liquor - Operations

In March 2000, the Authority's new Normanview Mall Liquor Store in Regina opened with a customer service innovation new to Saskatchewan. The new 12,000 square foot store is located in the Normanview Mall parking lot, in a free-standing building which is leased by the Authority. The store's hours of operation were extended, and its product selection increased so all products carried by the Authority are available on its shelves.

The innovation at the store is a "bottle-your-own" wine concept. This service allows customers to choose from a variety of bulk wines, and then bottle the wines themselves in-store. This service provides good value, and also enables customers to customize labels for special occasions.

The new store was developed following a survey of 1,200 northwest Regina liquor store customers in November 1998. It replaces a smaller store located within the Normanview Mall itself.

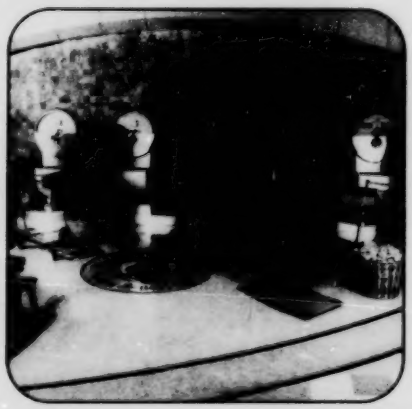
In addition to renovations of facilities, the Authority completed its testing of a kiosk information system and rolled out the program to seven Authority stores in 1999/2000.

The kiosk operates with touch screen technology, providing easy access to clients to information about: all products carried by the Authority; services available through the liquor stores; in-store events, such as tastings; and general consumer information, such as recipes. Information on the system is updated once a week from Head Office.

The service has been well-received and the technology is very user-friendly. The kiosks are produced by a Regina firm, Global Kiosk Ltd. Other liquor jurisdictions and other industries, such as the grocery industry, are considering using this technology in their own stores. The kiosk also provides a database which will be easily convertible to the Internet, once the Authority is prepared to make that move.

A second customer service enhancement completed its first full year in operation in 1999/2000. The gift certificate program continues to garner a positive response, with sales of approximately $25,440 during 1999/2000. Denominations of $10, $25 and $50 are available.

The Authority's LION internet-system was also up and running in 1999/2000. The Internet-based Liquor Information On-line Network (LION) is designed to provide members of the beverage alcohol industry with access to detailed inventory and sales information.



During 1999/2000, 46 individuals, representing 31 companies, were active subscribers to LION. Utilizing the sales and inventory data available on the system, members of the industry are able to better plan their provincial marketing activities. The fee for individual subscribers is $500/per year.

Debit and credit card usage also continued to climb, as customers appreciated these easy, electronic payment methods in the stores.

The gift certificate program continues to garner a positive response, with sales of approximately $25,440 during 1999/2000.

In 1999/2000, debit card usage increased by 19.2 per cent from the year before, to make up 18.9 per cent of total store sales, and credit card sales increased by 12.6 per cent, representing approximately 13.3 per cent of store sales. The Authority also expanded its capabilities this year for credit cards, to include American Express payments. In total, purchases paid for by credit and debit cards now make up more than 32 per cent of the transactions at the Authority's liquor stores.

Sales

Liquor sales were up two per cent this year, marking the sixth year in a row sales have increased.

Wine led sales this year, with an increase of 5.6 per cent. This reflects a trend toward higher quality, more expensive products; in 1998/99, refreshment beverage sales experienced the largest growth. Refreshment beverages increased only 0.4 per cent this year, with growth seen only in the spirit-based cooler and cider segment of this market. Spirit-based cooler sales were up 4.8 per cent and ciders increased by 1.7 per cent, while wine-based coolers declined by 16.9 per cent, and malt-based coolers declined by 28.6 per cent.

In the wine category, blush wine sales increased by 13 per cent, and red table wine volume rose by 8.6 per cent. Both gains were primarily at the expense of white table wines. Millennium celebrations also certainly resulted in significant consumer interest in sparkling wines, with volumes up 6.6 per cent during the year.

Spirit sales increased by only 0.5 per cent, while beer sales increased by 2.1 per cent. In the beer category, bottled beer again captured the dominant share of overall category volume at approximately 73.6 per cent, with canned representing 19.4 per cent, and keg draught representing 5.8 per cent.

Liquor sales were up two per cent this year, marking the sixth year in a row sales have increased.

Within the spirit category, the liqueur section demonstrated significant growth, up by 14.4 per cent. However, a relatively flat performance in the rum and vodka sub-categories, combined with a 1.1 per cent decline in the high volume Canadian Whisky subcategory essentially offset the growth realized in the liqueur category.

Listings and Distribution

In response to increased sales volumes, the Authority increased its product listing base during the year. General listings remained stable at 1,077, down slightly from 1,082 the year before. Specialty wine and spirit entries increased by four to 649. Domestic beer offerings remained relatively stable, while micro-brewery and imported beer entries rose from 35 to 43 in response to growing consumer interest in these subcategories.

The Authority's distribution centre processed 11,886 orders this year. At an average of 147 cases per order for stores, and 24 cases per order for franchises, the warehouse handled almost 2.3 million cases of product.

WINE, COOLERS AND SPIRITS PURCHASED

Fiscal Year Ending March 31, 2000

COUNTRY		(000's)
Canada	$	33,685
Australia		262
Chile		146
France		1,206
Germany		374
Ireland		311
Italy		671
Netherlands		200
Portugal		94
South Africa		190
Spain		220
United Kingdom		922
United States		2,943
Other		215
Total Wines and Spirits Purchased	$	41,439

BEER PURCHASED

Fiscal Year Ending March 31, 2000

DOMESTIC		(000's)
Molson Saskatchewan Brewery Ltd., Saskatchewan	$	65,779
Labatt's Saskatchewan Brewery Ltd., Saskatchewan		44,677
Great Western Brewing Co., Saskatchewan		4,091
Big Rock Brewery Ltd., Alberta		528
		115,075
IMPORTED		
Canadian Agents		711
United States		28
Other		58
Total Beer Purchased	$	115,872

NOTE: Beer purchases from domestic brewers includes excise tax and is purchased F.O.B. the retail outlet.

FRANCE
FRANCE
COOLERS

Franchise Outlets
as at March 31, 2000

Abbey
Admiral
Alida
Allan
Alsask
Alvena
Arborfield
Arcola
Asquith
Avonlea
Balcarres
Balgonie
Beechy
Bengough
Bethune
Big River
Birch Hills
Bjorkdale
Blaine Lake
Bredenbury
Brock
Bruno
Buchanan
Burstall
Cabri
Calder
Candle Lake
Canwood
Carnduff
Central Butte
Ceylon
Chaplin
Choiceland
Churchbridge
Climax
Cochin
Coleville
Colonsay
Conquest
Consul
Coronach
Craik
Craven
Cudworth
Cupar
Cut Knife
Delisle
Denzil
Dinsmore
Dodsland
Domremy
Dorintosh
Duck Lake
Dundurn
Eastend
Eatonia
Edam
Elbow
Elrose
Emma Lake
Endeavour
Eston
Fillmore
Fox Valley
Gainsborough
Glaslyn
Glenavon
Glentworth
Goodsoil
Govan
Grayson
Grenfell
Hafford
Hanley
Harris
Hodgeville
Holdfast
Imperial
Invermay
Kelliher
Kenaston
Kennedy
Kenosee Lake
Kincaid
Kinistino
Kyle
Lafleche
Lake Lenore
Lampman
Landis
Langham
Lashburn
Leask
Lemberg
Leoville
Leroy
Loon Lake
Lucky Lake
Lumsden
Luseland
Macklin
MacNutt
Maidstone
Mankota
Marsden
Martensville
Marquis
Maryfield
Meota
Meskanaw
Midale
Middle Lake
Milden
Milestone
Minton
Mistatim
Montmartre
Moose Jaw C.F.B.
Morse
Mossbank
Naicam
Neudorf
Nokomis
Norquay
Ogema
Oxbow
Paradise Hill
Pelly
Pense
Perdue
Pierceland
Porcupine Plain
Punnichy
Qu'Appelle
Quill Lake
Rabbit Lake
Radisson
Radville
Redvers
Regina Beach
Riverhurst
Rocanville
Rockglen
Rose Valley
Rouleau
St. Brieux
St. Louis
Saltcoats
Sedley
Sheho
Shell Lake
Simmie
Simpson
Sintaluta
Smeaton
Southey
Spiritwood
Spiritwood Acres
Spy Hill
Star City
Stenen
Stockholm
Strasbourg
Sturgis
Theodore
Togo
Torquay
Tramping Lake
Turtleford
Val Marie
Vanguard
Vibank
Viscount
Vonda
Wapella
Warman
Wawota
Weirdale
Welwyn
White Fox
Whitewood
Willow Bunch
Wishart
Wolseley
Yellowgrass
Young
Zenon Park

Total Number: 187

SCHEDULE OF SALES BY LIQUOR STORE

Fiscal Year Ending March 31, 2000

Location	Store Number	Wine & Coolers & Spirits (000's)	Beer (000's)	Total (000's)
Assiniboia	519	$ 960	$ 238	$ 1,198
Battleford	522	949	340	1,289
Biggar	525	582	236	818
Broadview	586	264	120	384
Buffalo Narrows	606	604	345	949
Canora	536	803	184	987
Carlyle	554	625	302	927
Carrot River	601	342	119	461
Creighton	542	716	166	882
Davidson	555	354	128	482
Esterhazy	556	773	288	1,061
Estevan	520	2,443	547	2,990
Foam Lake	597	536	132	668
Fort Qu'Appelle	553	1,281	394	1,675
Gravelbourg	518	544	175	719
Gull Lake	516	275	79	354
Hudson Bay	545	701	232	933
Humboldt	515	1,558	393	1,951
Indian Head	543	513	177	690
Ituna	531	356	91	447
Kamsack	512	766	246	1,012
Kelvington	541	484	122	606
Kerrobert	537	397	114	511
Kindersley	523	1,446	462	1,908
Kipling	528	418	118	536
La Loche	567	578	508	1,086
La Ronge	588	2,117	495	2,612
Langenburg	563	289	131	420
Lanigan	564	390	168	558
Leader	551	356	113	469
Lloydminster	548	700	106	806
Maple Creek	521	717	232	949
Meadow Lake	532	1,646	556	2,202
Melfort	524	1,384	404	1,788
Melville	514	1,132	296	1,428
Moose Jaw:				
5 Manitoba St.	506	5,419	1,052	6,471
510 – 4th Ave. S.W.	562	904	300	1,204
Total Moose Jaw Stores		6,323	1,352	7,675
Moosomin	547	773	201	974
Nipawin	534	1,303	270	1,573
North Battleford	509	2,992	1,229	4,221
Outlook	576	474	159	633
Ponteix	579	253	82	335
Preeceville	605	477	170	647
Prince Albert:				
99 – 9th St. E.	507	3,512	586	4,098
South Hill Shoppers Mall	546	5,985	1,658	7,643
Total Prince Albert Stores		9,497	2,244	11,741

SCHEDULE OF SALES BY LIQUOR STORE

Fiscal Year Ending March 31, 2000

Location	Store Number	Wine & Coolers & Spirits (000's)	Beer (000's)	Total (000's)
Raymore	568	$ 300	$ 81	$ 381
Regina:				
Broadway Shopping Centre	501	2,637	909	3,546
490 McCarthy Blvd. N.	502	2,572	901	3,473
1881 Broad St.	526	2,638	635	3,273
416 Albert St. N.	550	7,677	2,633	10,310
2626 – 28th Ave.	557	8,860	1,772	10,632
4239 Dewdney Ave.	560	3,290	1,041	4,331
2550 Quance St.	580	8,532	2,713	11,245
Total Regina Stores		**36,206**	**10,604**	**46,810**
Rosetown	544	844	308	1,152
Rosthern	513	367	184	551
Saskatoon:				
401 – 20th St. W.	503	1,446	712	2,158
3120 – 8th St. E.	505	8,468	2,284	10,752
301 – 2nd Ave. N.	565	8,107	937	9,044
1701 Idylwyld Dr. N.	566	3,335	947	4,282
Lawson Heights	570	4,071	1,456	5,527
Confederation Park Plaza	571	6,491	2,843	9,334
Sutherland	572	2,965	818	3,783
Avalon	574	1,874	720	2,594
Market Mall	577	4,130	951	5,081
Total Saskatoon Stores		**40,887**	**11,668**	**52,555**
Shaunavon	517	542	180	722
Shellbrook	600	506	211	717
Stoughton	604	261	78	339
St. Walburg	539	313	157	470
Swift Current:				
278 – 1st Ave. N.E.	510	2,665	658	3,323
Wheatland Mall	610	654	147	801
Total Swift Current Stores		**3,319**	**805**	**4,124**
Tisdale	538	1,001	302	1,303
Unity	599	636	261	897
Wadena	558	776	179	955
Wakaw	540	396	150	546
Waskesiu (Summer Only)	533	441	192	633
Watrous	530	579	202	781
Watson	549	427	181	608
Weyburn	511	2,095	309	2,404
Wilkie	527	331	192	523
Wynyard	535	649	128	777
Yorkton	508	4,097	1,090	5,187
Special Orders		1,106	1	1,107
Total		**$146,170**	**$41,927**	**$188,097**

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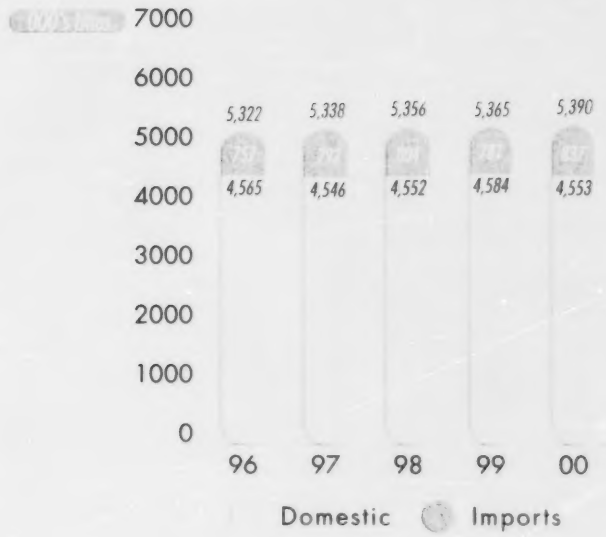
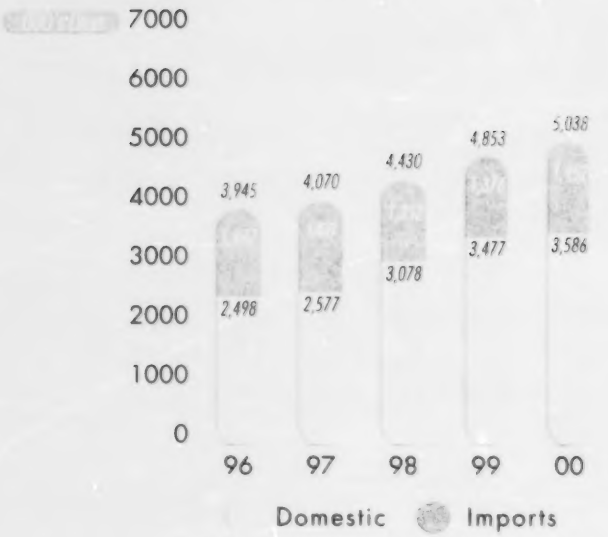
Volume of Sales - Five Year History

Financial Years ending March 31

Spirits

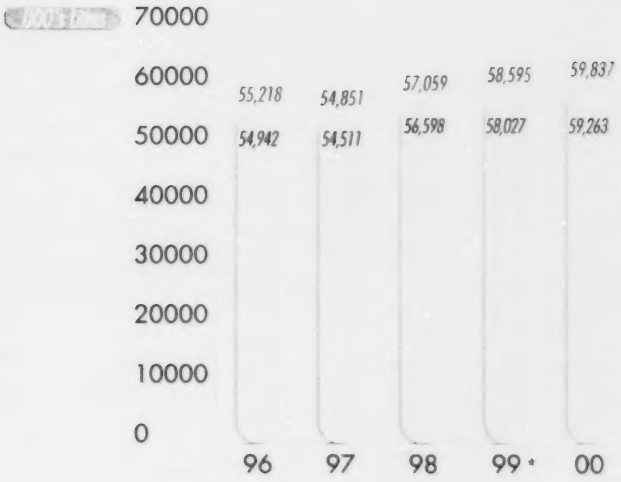


Wine and Coolers

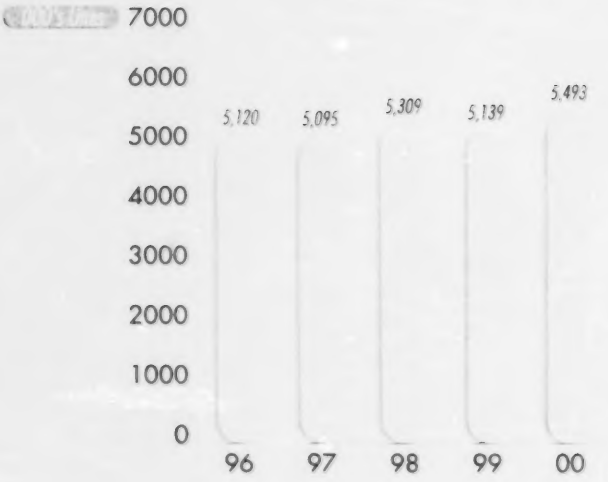


Wine includes wine & spirits which are less than 6.5% alcohol by volume.

Beer



Absolute Alcohol

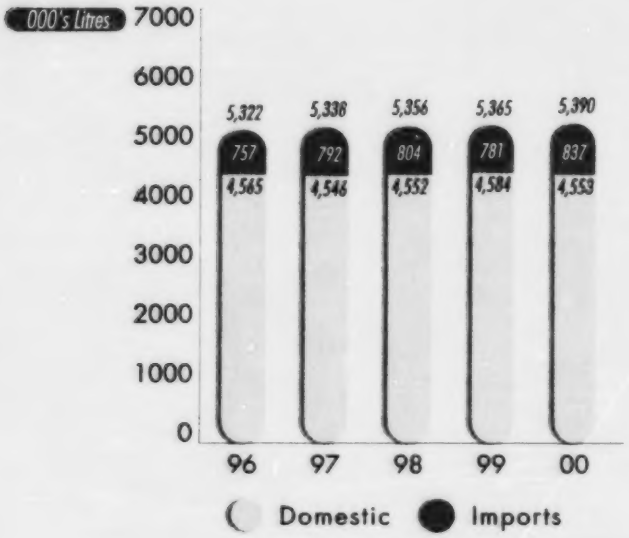


* revised from 1998/99 report to correct error

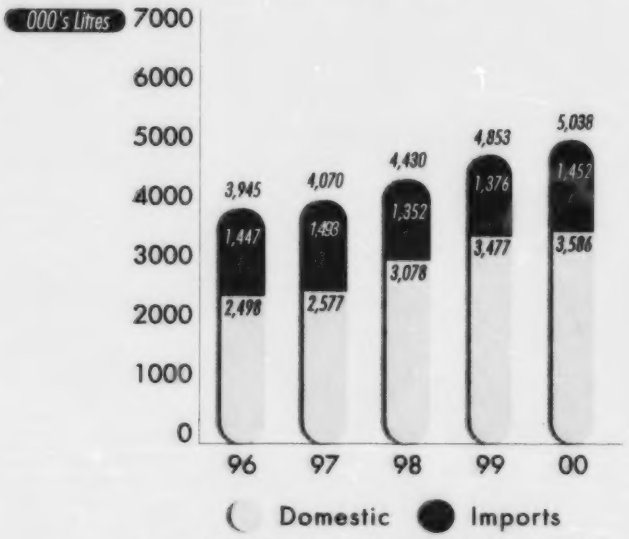
Volume of Sales - Five Year History

Financial Years ending March 31

Spirits

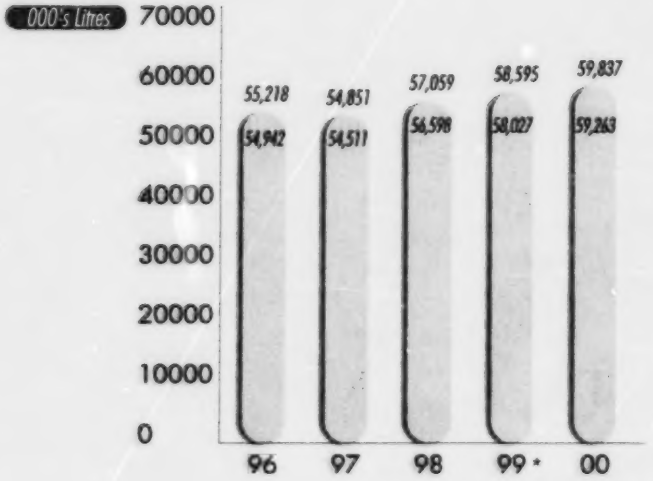


Wine and Coolers



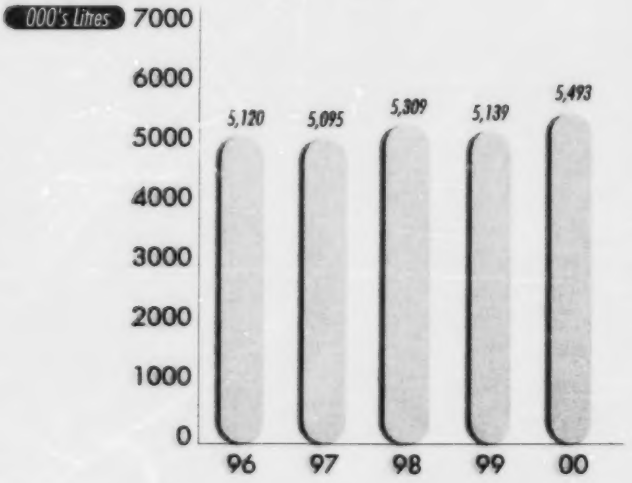
Wine includes wine & spirits which are less than 6.5% alcohol by volume.

Beer



** revised from 1998/99 report to correct error*

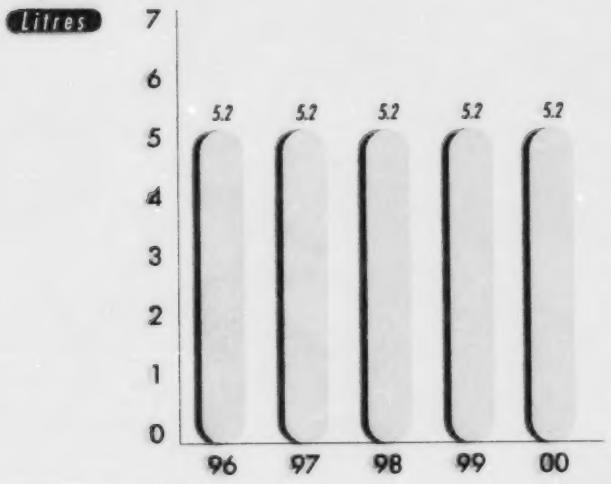
Absolute Alcohol



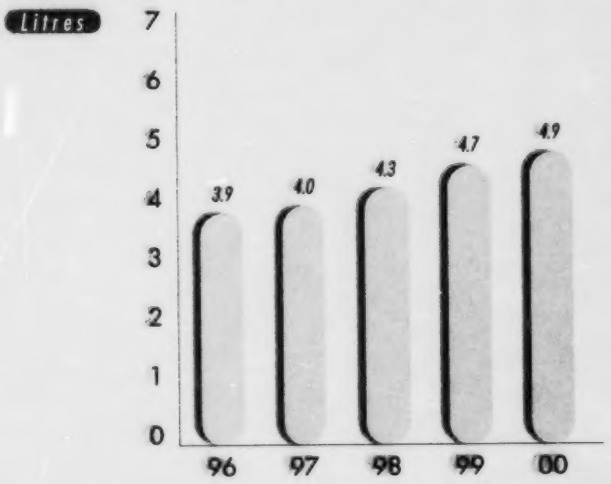
Per Capita Sales - Five Year History

Financial Years ending March 31

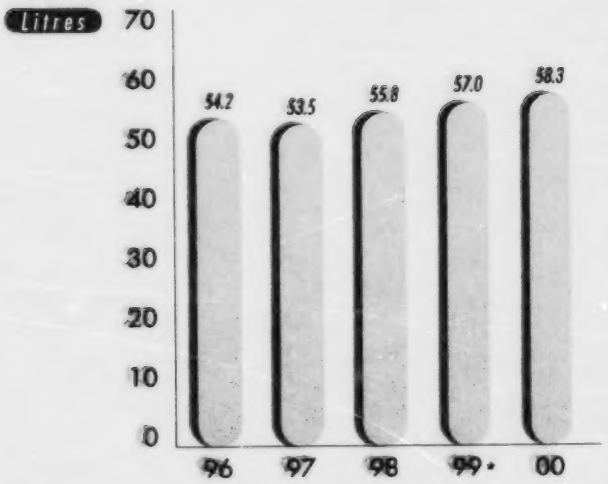
Spirits



Wine and Coolers

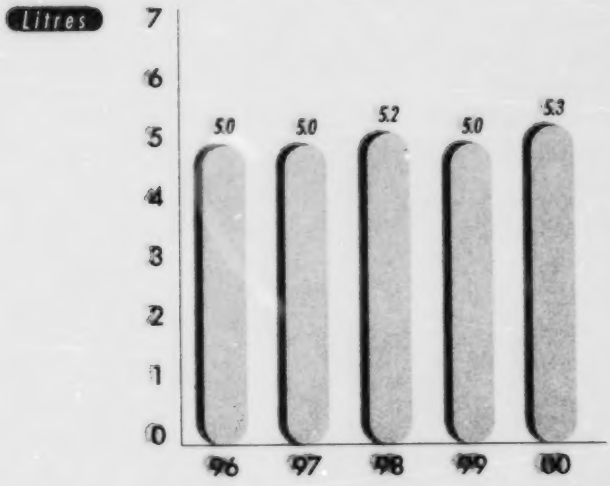


Beer



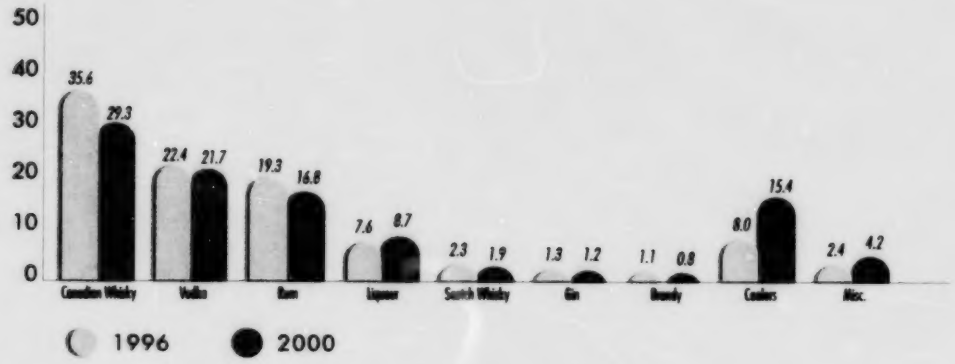
* revised from 1998/99 report to correct error

Absolute Alcohol

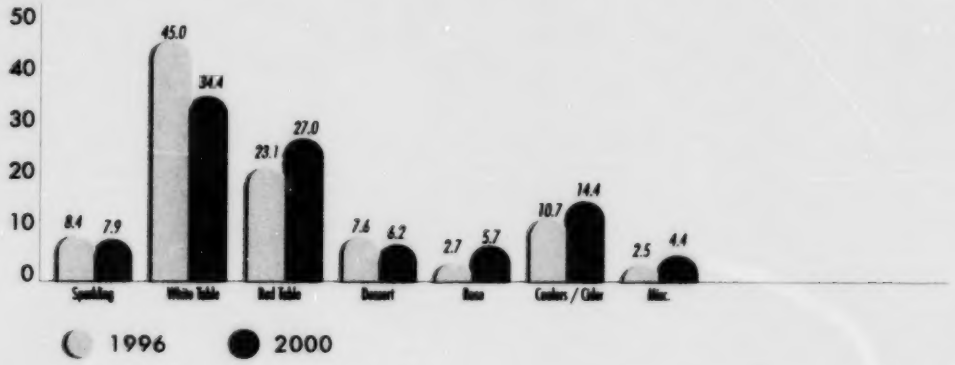


Note: The weighted average alcohol content was used to convert spirits, wine and beer to absolute alcohol.

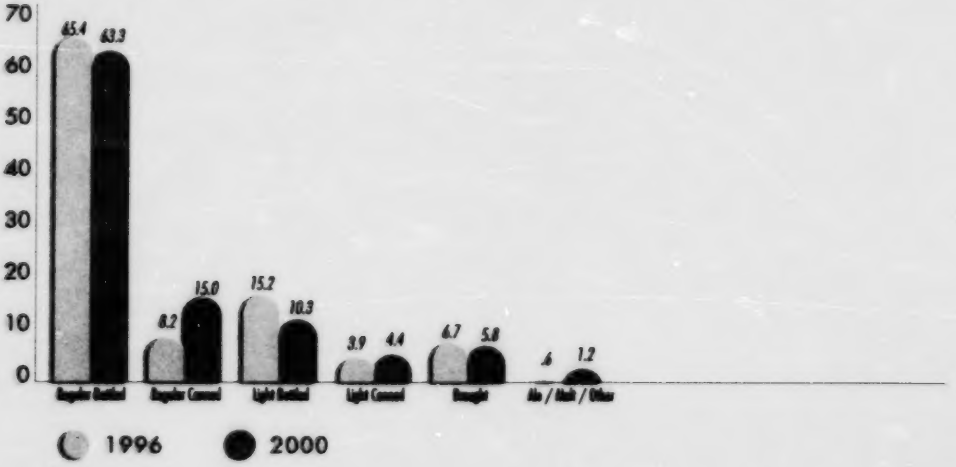
Share of Spirit Market



Share of Wine Market



Share of Beer Market



The Liquor and Gaming Authority regulates all six of the province's full-time casino operations, as well as part-time casino operations conducted by exhibition associations periodically throughout the year. This includes regulation of both gaming and liquor activities at the casinos.

Casino Regina

Owned and operated by the Government of Saskatchewan in cooperation with the province's First Nations, Casino Regina opened in the province's capital in January 1996.

Located in the historic Union Station, the casino is operated by the Saskatchewan Gaming Corporation, a Treasury Board Crown Corporation established in June 1994.

As of March 31, 2000, the casino had 470 gaming employees and 114 food and beverage employees. Approximately fifty-one per cent of the casino's 584 employees are aboriginal.

Casino Regina offers seven-day-a-week entertainment opportunities with 620 slot machines and numerous table games, including roulette, poker, baccarat, Red Dog, blackjack, and big wheel.

The net profits from this casino are distributed in the following manner: 50 per cent of revenues are retained by the General Revenue Fund; 25 per cent are provided to the First Nations Fund; and 25 per cent are provided to the Associated Entities Fund. Profit figures for Casino Regina are detailed in the Saskatchewan Gaming Corporation's annual reports. The gaming corporation is responsible for ensuring accountability of the funds to the Legislature and the public.

The profits from Casino Regina are distributed in the following manner: 50 per cent of net profits are retained by the General Revenue Fund; 25 per cent are provided to the First Nations Fund; and 25 per cent are provided to the Associated Entities Fund.

First Nations Casinos

Saskatchewan has four First Nations casinos, created as a result of a partnership between the government and the Federation of Saskatchewan Indian Nations (FSIN). This partnership, outlined in an agreement signed in February 1995, provided for the establishment of these community-scaled casinos, and created the Saskatchewan Indian Gaming Authority (SIGA), which is licensed by the Authority to conduct the casinos.

On March 31, 2000, the Authority and the FSIN signed an extension agreement to maintain the terms and conditions of the February 1995 Framework Agreement, with some amendments, until December 31, 2000.

The amendments to the framework agreement benefit Saskatchewan communities and First Nations. They confirm the profit-sharing arrangements from the First Nations casinos, establish and provide funding to new Community Development Corporations and provide for more practical charity gaming licensing on-reserve.

The amendments are outlined in the next few pages of the report.

Amendments to the Agreement

Profit Sharing

An amendment to the agreement confirms the current sharing of net profits from First Nations casinos, effective April 1, 1998. The change provides equal shares of 37.5% each to both the government and the First Nations Fund from the profits of First Nations casinos.

Under the previous terms of the agreement, First Nations received 50% of net profits and government received 25% of net profits until a certain profit level was reached; once that level was reached, the percentages flipped, with First Nations' share reduced to 25% and the government's share increased to 50%.

On March 31, 2000, the Authority and the FSIN signed an extension agreement to maintain the terms and conditions of the February 1995 Framework Agreement, with some amendments, until December 31, 2000.

Early in 1998, it was recognized that this clause in the agreement produced unintended results, given the unanticipated early financial success of the casinos. Net profits have therefore been shared equally (37.5% each) since April 1998, confirmed by this formal amendment to the agreement. No change to either government or First Nations revenues from casino gaming will result from the formal amendment.

These changes do not affect Casino Regina or its revenue-sharing.

Community Development Corporations

The remaining 25% share of the net profits from off-reserve casinos will continue to be directed to the Associated Entities Fund. In the case of on-reserve First Nations casinos, effective February 10, 2000, this 25% share of net profits will be directed to Community Development Corporations. Previously, this portion of the net profits from on-reserve casinos was to be directed to First Nations charities through the First Nations Fund.

Effective February 10, 2000, the Painted Hand Community Development Corporation associated with the Yorkton casino, became entitled to funds by this amendment. Two other casinos are expected to achieve reserve status in 2001/02 and are expected to establish Community Development Corporations.

The Community Development Corporations will permit both First Nations charities and non-First Nations charities to obtain funding from this share of casino revenues. This results in a broader sharing of on-reserve casino profits within Saskatchewan communities than was originally contemplated. This amendment was requested by the government's First Nations gaming partners.

On-Reserve Charity Gaming Licensing

On-reserve charity gaming may now be licensed by either a tribal council gaming licensing authority, or a licensing body created in the 1995 agreement, Saskatchewan Indian Gaming Licensing, after completion of certain pre-requisites set out in the agreement. These pre-requisites have not been met and currently SLGA remains responsible for licensing of charitable gaming on reserve.

Under the 1995 agreement, only Saskatchewan Indian Gaming Licensing was identified as a potential First Nations licensing authority for charitable gaming on reserve. However, during consultations conducted by the FSIN, many First Nations indicated they would like to operate their own licensing authority. This desire was proving to be an impediment to licensing these on-reserve gaming operations through Saskatchewan Indian Gaming Licensing. The amendments permit licensing by either form of licensing body for on-reserve charities operating gaming, after completion of certain pre-requisites set out in the agreement.

This change is not expected to increase the amount of on-reserve gaming, nor affect the revenues of off-reserve charities already operating charity gaming. It requires on-reserve charities to operate gaming activities under a licence, governed by the same rules and restrictions as off-reserve charities.

Casino Operations

The First Nations casinos share a total of 620 slot machines, and offer numerous table games on a seven-day-a-week basis. The slot machines are owned and operated by the Liquor and Gaming Authority through its agent, the Western Canada Lottery Corporation (WCLC) in compliance with the Criminal Code of Canada.

As of March 31, 2000, the First Nations casinos employed a total of 1,160 people. Seventy-two per cent of these employees are aboriginal.

As of March 31, 2000, the First Nations casinos employed a total of 1,160 people. Seventy-two per cent of these employees are aboriginal.

Net profits from the First Nations casinos are shared, with a portion going to the General Revenue Fund, a portion to the First Nations Fund, a portion to the Associated Entities Fund, and a portion to Community Development Corporations. In 1999/2000, SIGA reported a net profit of approximately $13.4 million. The distribution of the net profit is as follows: approximately $5 million to the General Revenue Fund of the province; approximately $5.5 million to the First Nations Fund; approximately $2.8 million to the Associated Entities Fund; and approximately $100,000 ($0.1 million) to Community Development Corporations. More information on the profit-sharing agreement between the province and the FSIN is provided in the Financial section of this report.

Gold Eagle Casino

Located in North Battleford, this First Nations casino opened in February 1996. It offers slot machines, blackjack tables, poker tables, a Red Dog game, roulette tables and a big wheel. During 1999/2000, renovations took place to the bar and a new buffet area. This site also received a power generator, installed as part of the preparations for Year 2000, and as part of the requirements identified for disaster recovery/business continuity.

In 1999/2000, SIGA reported a net profit of approximately $13.4 million. The distribution of the net profit is as follows: approximately $5 million to the General Revenue Fund of the province; approximately $5.5 million to the First Nations Fund; approximately $2.8 million to the Associated Entities Fund; and approximately $100,000 ($0.1 million) to Community Development Corporations.

Northern Lights Casino

Located in Prince Albert, the Northern Lights Casino is the largest of the four First Nations casinos, and opened in March 1996. With slot machines, blackjack and poker tables, roulette games, a big wheel and a baccarat and a Red Dog table, the casino also offers entertainment regularly. In 1999/2000, renovations were undertaken to move the bar out of the restaurant area and expand the restaurant. This facility also received a power generator, as described for Gold Eagle Casino.

Bear Claw Casino

The Bear Claw Casino, on the White Bear First Nation, opened in November 1996. The smallest of the First Nations casinos, it is housed in a new building designed as a casino and lodge. The casino offers slot machines and a number of table games, including blackjack and poker tables, a big wheel, and a roulette and a Red Dog table. This facility also received a power generator.

Painted Hand Casino

Located in Yorkton, the Painted Hand Casino offers slot machines and a variety of table games, including blackjack and poker tables, a big wheel, and a roulette and a Red Dog table. It also received a power generator this year. This casino opened in December 1996.

Exhibition Casinos

The province's exhibition casinos generally operate on a temporary basis, in conjunction with annual events, such as fairs or exhibitions. As a result of casino expansion in the province, many exhibition casinos chose to discontinue their regular casino operations, and the government agreed to maintain their historic revenues from casino gaming through the Associated Entities Fund. The fund, which receives a portion of the revenues from the government casino and off-reserve First Nations casinos, is the responsibility of the province's Department of Municipal Affairs, Culture and Housing. Details of payments from this fund are issued each year in an annual report.

This year, only one temporary casino licence was issued, for a summer fair held in Swift Current for four days. Two of the province's exhibition casinos do continue to operate on a permanent basis, however.

Emerald Casino

Located in Saskatoon and operated by the Saskatoon Prairieland Exhibition Corporation, the Emerald Casino offers video lottery terminals and numerous table games. This casino can operate on a seven-day-a-week basis, and during 1999/2000, operated a total of 362 days. This is an increase from last year, as the casino started opening on Sundays.

Golden Nugget Casino

Operated by the Moose Jaw Exhibition Association and based in that city, the Golden Nugget Casino operates four days a week. It has video lottery terminals and a number of table games. In 1999/2000, it operated for a total of 206 days.

VIDEO ACTION

Gaming - Video Lottery Terminal Program

The provincial video lottery terminal (VLT) program again provided increased revenues to the hospitality industry in 1999/2000 and improved its efforts to promote the responsible public use of these machines.

In administering the VLT program, the Authority is committed to its vision of the responsible public use of this gaming product. The VLT network is carefully controlled and regulated. VLTs are only allowed in age-restricted, liquor-permitted establishments, where minors can neither play the machines nor watch them being played.

The first series of problem gambling customer assistance training sessions for site contractors was completed during this fiscal year. The training required one person from each site to attend a one-day training session which: provided education on the issue of problem gambling, including recognizing signs and symptoms; enhanced awareness of provincial and community programs, services and resources available; and provided tools to develop socially responsible business practices.

Many establishments sent more than one person to the training, and in total, approximately 900 people took part in this series of the training. The Authority plans to continue this training in 2000/2001. More information about social responsibility efforts related to VLTs is available in the Social Responsibility section of this report.

This year, site contractor revenues increased to $33 million, up approximately $2 million from 1998/99. Provincial net VLT revenues also increased, to approximately $174 million. This is an increase of approximately $17 million.

The continued financial success of this program can be partly attributed to an ongoing redistribution program. Introduced in January 1997, the redistribution program reviews the financial performance of the VLTs, to ensure each site is matched with an appropriate number of machines for its level of customer interest. The program was instituted due to the limited number of machines in the network, as the province is maintaining its cap of 3,600 machines.

This year, site contractor revenues increased to $33 million, up approximately $2 million from 1998/99. Provincial net VLT revenues also increased, to approximately $174 million. This is an increase of approximately $17 million.

Each VLT machine's financial performance at its present location in the network is assessed. Based on that assessment, the level of customer interest is determined, and the number of machines is increased or decreased to meet the level of demand. The program ensures that each VLT machine is used as effectively as possible.

The most recent redistribution took place in March 1999; another is planned for the 2000/2001 fiscal year. It is anticipated that continuing this program will help ensure that the benefits of the program continue to grow.

In total, as of March 31, 2000, there were 3,567 VLT machines installed in 641 sites in 326 communities. Under Authority policy, each site has a minimum of three and no more than 12 machines.

As of March 31, 2000

Number of VLTs	3,567
Number of Sites	641
Number of Communities	326

Video Lottery Terminals
April 1, 1999 – March 31, 2000

	(In Millions)	(In Millions)
Dollars Deposited	$685.6	
Value of Credits Played		$2,874.9
Value of Credits Won (Prizes)		$2,658.7
Dollars Cashed Out	$470.8	
Gross Revenue	**$214.8**	

Average Prize Payout =

Value of Credits Won (Prizes)	$2,658.7	=	92.5%
Value of Credits Played	$2,874.9		

The province's charity gaming market remained fairly stable this year, partly as a result of some initiatives undertaken by the Authority and the industry.

The total number of licences issued dropped, from 4,867 in 1998/99 to 4,717 in 1999/2000.

In total, approximately $176.3 million was spent on bingo, breakopen tickets and raffles, and charities received approximately $38.1 million from these fundraising activities. This compares to approximately $188.3 million in spending in 1998/99 and a charity share of approximately $41.1 million. As in previous years, the decrease was mainly centred in the breakopen ticket sales area.

The total number of licences issued dropped, from 4,867 in 1998/99 to 4,717 in 1999/2000.

Breakopen Tickets

Breakopen ticket sales, and charity revenues from these games, have declined steadily in recent years, and this trend continued in 1999/2000. Gross sales were approximately $33.2 million this year, compared to approximately $40.6 million in 1998/99. The charity revenues from these sales also declined, from approximately $8 million last year to approximately $6.6 million this year.

While charity revenues have not declined as substantially as the gross spending on this category of gaming, the Authority has been working to ensure that these revenues are protected to the extent possible.

To that end, in April 1998, the Authority concluded a one-year test, in the Saskatoon market area, involving the use of breakopen ticket vending machines in selected liquor permitted venues. The beneficiary of the sales of the tickets from these machines are the Regina and Saskatoon hospitals foundations.

The test was successful, and implementation of the breakopen vending machines began in February 2000. As of March 31, 2000, 112 machines had been installed. Installations continue as applications are received and processed; it is anticipated more than 300 machines will be installed by the end of this fiscal year.

It is hoped that the vending machines will boost charity revenues from this form of gaming in the 2000/2001 fiscal year, once full implementation has occurred and the machines have been in operation for several months.

In April 1998, the Authority concluded a one-year test, in the Saskatoon market area, involving the use of breakopen ticket vending machines in selected liquor permitted venues.

Bingo

The bingo market remained stable in 1999/2000, with little change in gross sales or charitable revenues during the year. However, it was an exciting year for bingo charities, as Sask Charities "Mega Bingo", a linked bingo game, was implemented to assist them in meeting their fundraising goals.

Gross bingo sales for 1999/2000 were $118.8 million, compared to $119.8 million the year before. Charitable revenues were fairly consistent, at $23.3 million this year, compared to $23.8 million last year.

Sask Charities "Mega Bingo", a linked bingo game, was introduced to the province February 23, 2000. It links players in the bingo halls across the province, enabling them to participate in the same game, which offers a larger prize pool, as the size of the pool is dependant on the number of players. Charities benefit by retaining the proceeds from the game.

It was an exciting year for bingo charities, as Sask Charities "Mega Bingo", a linked bingo game, was implemented to assist them in meeting their fundraising goals.

Similar games have been successfully introduced in Alberta, British Columbia and Ontario.

Although only in operation for approximately five weeks as of year end, the game has already produced approximately $192,670 for charities, on a gross spend of approximately $1.1 million. On average, 40 sites participate each night, with an average jackpot of $10,000 for each game. To date, there have been winners from Saskatoon, Regina, Moose Jaw, Creighton, Prince Albert, Tisdale, Fort Qu'Appelle, North

Battleford, Swift Current, La Ronge, Hudson Bay, Humboldt, Kindersley, Melfort, Yorkton, Lloydminster, Estevan and Meadow Lake.

The Western Canada Lottery Corporation (WCLC) is operating the game on behalf of the charities and the Authority. It is presently refining a software package to install cash and paper management into each of the sites participating in the "Mega Bingo" game, which will operate on the hardware currently used for the game.

The system will substantially improve accountability standards and the integrity of these processes in the industry, by offering point of sale equipment, inventory control, reduced cash shortages, bingo card verification and the potential for on-line financial reporting to the Authority. This will result in increased player comfort about the integrity of the game, which will be comparable to other forms of gaming. Another significant benefit is the reduction in volunteer time spent on manually counting bingo paper at their events. It is expected that the cash and paper management system will be introduced during fiscal 2000/2001.

This new game is expected to assist Saskatchewan's bingo industry in remaining competitive with other entertainment and gaming options.

Raffles

The raffle market also saw a small decline in spending in 1999/2000. Gross sales decreased to $24.2 million this year, from $27.9 million last year, while charity revenues declined from $9.3 million to $8.3 million.

The large raffle market, which includes raffles with a prize value over $100,000, remains stable. There were 18 large raffle licences issued during the year, compared to 14 in 1998/99. This stability would indicate that this market has found an appropriate level for this limited market.

1999/2000 Charity Gaming Statistics

Licence Type	Gross Spending	Charity Share	Authority Administration Fee Receipts
Bingo	$ 117,782,384	$ 23,117,573	$ 78,700
Mega Bingo	1,056,678	192,669	0
Total Bingo	**$118,839,062**	**$ 23,310,242**	**$ 78,700**
Breakopen	**$ 33,219,478**	**$ 6,559,384**	**$ 29,200**
Raffles	**$ 24,235,495**	**$ 8,257,107**	**$ 14,020**
Totals	**$176,294,035**	**$ 38,126,733**	**$ 121,920**

*These figures do not include municipal bingo or raffle licensing.

Gaming - Horse Racing

Standardbred racing took the lead this year in the province's horse racing industry, as this portion of the gaming market continues to evolve and find its niche.

Licences Issued

The number of standardbred licences issued rose dramatically in 1999/2000, to 334 from 221 in 1998/99. The Authority is continuing its practice, introduced last year, of issuing licences for a period of three years. This practice seems to be welcomed by members of the industry.

Thoroughbred and quarter-horse licensing numbers dropped in 1999/2000, from 664 licences in 1998/99 to 545 licences in 1999/2000. While standardbred horse racing has seen a resurgence, it is clear that more work needs to be done in the thoroughbred and quarter-horse category.

The number of standardbred licences issued rose dramatically in 1999/2000, to 334 from 221 in 1998/99.

Wagering/Handle

The provincial handle includes amounts wagered at Marquis Downs in Saskatoon and Queensbury Downs in Regina, and through simulcast and teletheatres. The provincial handle decreased in 1999/2000, mainly due to a decrease in wagering at northern teletheatres. The total handle for 1999/2000 was $15,380,945, a decrease of $615,548 from the previous year. Wagering at northern teletheatres dropped from approximately $2.3 million last year to approximately $2 million this year.

The total handle for 1999/2000 was $15,380,945, a decrease of $615,548 from the previous year.

Live and simulcast wagering at Marquis Downs and teletheatres in Saskatoon dropped from approximately $6.9 million to $6.8 million.

Live racing generated approximately 6.9 per cent of the provincial handle, or $1.1 million, with the remainder wagered on simulcasts. Last year, live racing accounted for approximately 8.9 per cent of the handle. Live and simulcast wagering in Regina was approximately $5.5 million, the same as the previous year, with the remaining $3.2 million wagered at teletheatres in other communities around the province.

Grants

The Authority's Horse Racing Branch provides grants to help maintain the horse racing industry. Under the grant system, pari-mutuel tax collected from the industry is returned in the form of grants for stake races, purse support and other programs.

In 1999/2000, the grant program returned more than $1.65 million to the industry. This compares to $1.72 million the previous year, and reflects the decrease in wagering.

Horse Inventory

The positive trend continued for standardbreds in horse inventory, as the number of horses entered to race increased from 272 in 1998/99 to 306 in 1999/2000. Thoroughbred numbers saw a decline, from 471 in 1998/99 to 452 in 1999/2000, and quarter-horse numbers dropped significantly, from 88 in 1998/99 to 47 this year.

Horse Inventory for 1999/2000

	Thoroughbred	Quarter-Horse	Standardbred
Number of Horses	452	47	306
Number of Starts	1493	121	2458
Saskatchewan Bred	116 (26%)	12 (26%)	40 (13%)
Saskatchewan Owned	377 (83%)	21 (45%)	120 (39%)
Average Starts Per Horse	3.3	2.57	8.03

Number of Races with:	8 Horses or More	7 Horses/ Race	6 Horses/ Race	5 Horses or Less
Thoroughbred	42	54	96	137
Quarter-Horse	2	2	7	9
Standardbred	124	102	83	54

Saskatchewan Horse Racing and Breeding Advisory Board

Plans to reinvigorate the industry continue to be reviewed by the Saskatchewan Horse Racing and Breeding Advisory Board. The board was appointed by the Authority's Minister in 1996, with the goal of developing a long-term strategy of innovations for enhancing the strength and viability of the horse racing industry in Saskatchewan.

The board includes representatives from all major horse racing and breeding groups in the province, as well as representatives from the province's two major race tracks.

As of March 31, 2000, membership consists of:

Jean Hayden - Chair - Canadian Thoroughbred Horse Society - Saskatoon

Doug Cressman - Regina Exhibition Association Ltd. - Regina

Blair Anderson - Saskatchewan Speed Horse Association - Wynyard

Ron Webb - Saskatchewan Standardbred Horseman's Association - Regina

Doug King - Saskatoon Prairieland Exhibition Corporation - Saskatoon

James Hoffman - Horsemen's Benevolent and Protective Association - Sonningdale

Elmer Seeseequasis - Federation of Saskatchewan Indian Nations - Beardy's and Okemasis First Nations Reserve.

1999/2000 Horse Racing Grants

Queensbury Downs Grants – Standardbred, Quarter-Horse & Thoroughbred

Standardbred Restricted Races	$	32,571
Standardbred Open Races		32,571
Standardbred Incentive		16,000
Saskatchewan Colt Stake		10,000
Purse Support		201,092
Standardbred Incremental Purse Support		75,000
Standardbred Incentive (purse support)		123,500
Additional Purse Support		12,000
Queensbury Downs Operator		201,092
Facility Improvements (Authority Office)		3,000
Coggins Test Program		1,079
Horsemen's Awards Night		500

Marquis Downs Grants – Thoroughbred & Quarter-Horse

Thoroughbred Restricted Races	47,930
Thoroughbred Open Stake Races	47,930
Prairie Lily	5,000
Heritage Races	16,000
Mare Futurity	5,000
Purse Support	295,923
Thoroughbred Incentive Purse Support	123,500
Quarter Horse Purse Support	6,000
Marquis Downs Operator	295,923
Marquis Downs Incremental Operator	75,000
Marquis Downs Additional Operator	12,000
Facility Grant (Authority Office)	5,775
Western College of Veterinary Medicine	10,000
Total Grants	**$1,654,386**

Gaming - Horse Racing

Standardbred and Speed Horse Racing in 1999 at Queensbury Downs April 2 to July 25

Regina Exhibition Association Ltd.

Breeds Raced:	Standardbred, Quarter-Horse & Thoroughbred
Number of Race Days:	50
Number of Races:	377
Breakdown of Races:	363 Standardbred 12 Quarter-Horse 1 Thoroughbred 1 Mixed Speed Horse
Purses:	$565,035.00
Total Live Handle:	$331,036.00

Thoroughbred and Quarter-Horse Racing in 1999 at Marquis Downs May 29 to September 26

Saskatoon Prairieland Exhibition Corporation

Breeds Raced:	Thoroughbred & Quarter-Horse
Number of Race Days:	47
Number of Races:	335
Breakdown of Races:	327 Thoroughbred 8 Quarter-Horse 0 Mixed Speed Horse
Purses:	$957,080.00
Total Live Handle:	$735,125.00

Licenses Issued in 1999

Thoroughbred and Quarter-Horse		Standardbred	
Regular	435	Regular	185
Reciprocals	83	Reciprocals	112
Sundry	27	Sundry	37

Pari-Mutuel Handles

	1999	Fiscal year Apr/99-Mar/00
Marquis Downs – Live Racing	$ 735,125	$ 735,125
Emerald Casino	3,515,705	3,695,696
Bridges Brew Pub	1,102,695	1,065,655
Champs Sports Bar	573,939	532,822
Elephant & Castle	88,174	38,730
Venice House	698,897	718,915
Saskatoon – Total	**6,714,535**	**6,786,943**
Regina Simulcasts	5,225,054	5,139,042
Queensbury Downs – Live Racing	331,036	331,036
Crooked Cue	4,297	4,297
Regina – Total	**5,560,387**	**5,474,375**
Prince Albert	1,182,127	1,193,419
Melfort	192,984	214,871
N. Battleford	554,718	563,075
Rosetown	118,185	9,543
Northern Teletheatres – Total	**2,048,014**	**1,980,908**
Moose Jaw	312,483	313,852
Melville	138,631	140,884
Swift Current	740,426	683,983
Southern Teletheatres – Total	**1,191,540**	**1,138,719**
Provincial Total	**$15,514,476**	**$15,380,945**

The Authority's compliance branches are responsible for working to maintain the integrity and security of the province's liquor and gaming industries, and their employees.

There are three compliance branches within the Authority, each fulfilling a specific role in ensuring these industries are properly monitored and assisted in complying with the regulations and terms and conditions of the province.

The Inspection Services Branch conducts investigations of liquor and gaming establishments to ensure they are meeting the requirements of the regulations, and conducts security reviews. The Audit Services Branch ensures the financial activities of the industries are monitored and that they meet the required standards established by the Authority. The Community Liaison Branch assists Authority clients and stakeholders in gaining knowledge about the requirements for their participation in the liquor and gaming industries.

The Authority's compliance branches continue to maintain a close liaison with law enforcement and other regulatory agencies. A number of major investigations are conducted in cooperation with these agencies. One agency the Authority works closely with is the Provincial Auditor's Office.

In his May 1999 Spring Report, the Provincial Auditor notes the operation of commercial casinos in Saskatchewan is relatively new and the Authority is addressing the challenge of designing systems and practices to regulate and monitor SIGA's casinos.

During 1999/2000, Inspection Services conducted 2,327 full investigations into complaints and occurrences found as a result of the inspection process. In total, there were 9,181 contacts made by Inspection Services staff during the fiscal year. This is a decrease from the previous year's contacts of 11,866, but also reflects the increasing role of the Community Liaison Branch in communicating with and contacting permittees and stakeholders. The Community Liaison Branch, which completed its first full year of operation in 1999/2000, had face-to-face contact with 820 permittees and stakeholders.

In 1999/2000, 2,349 gaming employees and 64 gaming suppliers were registered by the Authority's Inspection Services Branch. In 1998/99, 2,129 employees and 63 suppliers were registered. These figures show the increasing number of people employed in the province's gaming industry.

The Audit Services Branch conducted 115 audits during the fiscal year, and improved and expanded its consultative services to the organization and the industry.

In 1999/2000, 2,349 gaming employees and 64 gaming suppliers were registered by the Authority's Inspection Services Branch.

Consultative services included supporting the License Administration Branch in providing information on financial reporting and banking standards to the licensees at bingo association annual meetings, and assisting in the development of controls for two new Authority responsibilities, the Sask Charities "Mega Bingo" linked bingo game, and the bulk wine initiative at the Normanview Liquor Store in Regina.

In addition, Audit Services implemented the majority of the recommendations outlined in the audit function review conducted during 1998/99. The review assessed: audit priorities; audit processes; expectations of action upon issuance of audit reports; and the training and development of staff in the Audit Services Branch. The implementation of these recommendations provided a more effective audit service to clients in 1999/2000, especially in the areas of setting audit priorities and establishing audit processes.

An important client of the Authority's Audit Services Branch is the province's casino industry, one of Saskatchewan's newest gaming activities. The branch conducted audits of two of the province's First Nations casinos, and conducted an audit of an exhibition casino.

In addition, the Authority's proactive program of consultation with the industry and community groups continues to show good results and will be expanded in the coming year. Part of this includes consultations with applicants for special occasion/community event permits, which have resulted in better understanding of the rules and regulations governing these permits and fewer violations. Major permit holders such as Folkfest, the Fringe Festival, Mosaic and others meet with Inspection Services staff during the early planning stages of the event, and excellent results have been achieved.

The success of this program led to the establishment of the Community Liaison Branch in January, 1999. Education and training on the regulations and terms and conditions governing liquor and gaming in the province are offered through the branch. This includes the opportunity for one-on-one contact and group consultations, and also provides for training sessions and workshops, at the request of organizations and communities, or as a result of concerns by the Authority about the knowledge level of some groups.

The branch also provides ongoing liaison between the Authority and other stakeholders, including law enforcement agencies, the Saskatchewan Indian Gaming Authority, other government agencies, and stakeholder groups, such as the Hotels Association of Saskatchewan and the Canadian Restaurant and Foodservices Association.

The Authority's proactive program of consultation with the industry and community groups continues to show good results and will be expanded in the coming year.

Liaison with law enforcement agencies and other regulatory agencies has indicated they favour the proactive mandate of the branch, and all have participated in the branch's activities within their own communities.

During 1999/2000, the branch provided advice through 75 individual stakeholder meetings, 12 community meetings, one community workshop, eight presentations, 18 consultations, and four training sessions.

The Community Liaison Branch, which completed its first full year of operation in 1999/2000, had face-to-face contact with 820 permittees and stakeholders.

Feedback from stakeholders has been very positive, and it is anticipated the branch will continue to be very active. There is particular interest in the community meetings and workshops, and a significant increase is anticipated in these areas.

Another facet of this consultation and cooperation involves the Authority's social responsibility commitment to discouraging drinking and driving, in cooperation with the province's liquor industry and other government agencies.

As part of the Authority's participation in the *Have Someone for the Road* designated driver program, inspectors have been conducting random inspections of establishments to determine which ones are promoting the program. Those establishments found to be promoting the program are then entered in an incentive draw, which offers monthly and annual prizes. There were 58 contacts made during the year for the incentive program.

The incentive program is just one aspect of the province's designated driver program. *Have Someone for the Road* is fully described in more detail in the Social Responsibility section of this report.

In total, the Inspection Services Branch employs 22 full-time staff. The Audit Services Branch has the equivalent of 11 full-time and one half-time staff, and the Community Liaison Branch has one full-time employee.

The Liquor and Gaming Authority carries out its mandate through excellent customer service and progressive business operations, in an environment of mutual respect. During 1999/2000, the Authority took a number of actions to ensure continuous improvement in these areas.

Employee Initiatives

Employees are the key resource of the Liquor and Gaming Authority. With a total staff complement of 787 as of March 31, 2000, the Authority is a significant employer, with staff located in 64 communities throughout the province.

As of March 31, 2000, the Authority employed 338 permanent, 407 part-time and 42 active casual staff. Seventy-five per cent of Authority employees, 590 people (188 permanent, 363 part-time and 39 active casual staff), were employed in the liquor store system.

The Liquor and Gaming Authority works in partnership with the Saskatchewan Government Employees Union (SGEU). The Authority and the three bargaining units of the SGEU - the Liquor Board, Liquor Licensing and Gaming units - who represent Authority staff began negotiating a single amalgamated agreement for all in-scope employees in early 2000.

During 1999/2000, the Authority and the SGEU continued work to address the issue of ensuring equal pay for work of equal value, in accordance with the pay equity policy framework established by the provincial government. The Authority and SGEU have a joint In-scope Classification Plan Steering Committee to oversee the development of a new classification plan for all in-scope jobs in the Authority.

With a total staff complement of 787 as of March 31, 2000, the Authority is a significant employer, with staff located in 64 communities throughout the province.

A draft of this new plan has now been developed and is being tested. Comparative descriptions are also being developed. They are a cross-section of jobs in the Authority and show the intent of factors within the new plan.

Work by the Authority, in partnership with the SGEU, also continued with the Employee and Family Assistance Program (EFAP). The policy and procedures for the program were updated and a vision statement and guiding principle were incorporated. Training sessions are being provided to all managers by the EFAP Advisory Committee and the recently appointed service provider. Following these sessions, information sessions will be provided to all employees.

SGEU is also supporting a major initiative undertaken by the Authority in February 1999, the signing of an Aboriginal Partnership Agreement with the provincial Department of Intergovernmental and Aboriginal Affairs. Under this partnership agreement, the first of its kind signed by a provincial government agency, the Authority will work with its employees, the SGEU and the Aboriginal community to facilitate constructive race and cultural relations and facilitate Aboriginal employment and career development in the context of a representative workforce.

The Authority has hired an Aboriginal Employment Coordinator and is designing Aboriginal awareness training for all staff.

The Authority and the SGEU further demonstrated their joint commitment to a diverse workforce founded upon mutual respect through the development of a Letter of Understanding for Employment Equity. Representatives of union and management signed the Letter of Understanding in late 1999. Selection of a joint Employment Equity Committee will be complete by late spring 2000.

SGEU is also supporting a major initiative undertaken by the Authority in February 1999, the signing of an Aboriginal Partnership Agreement with the provincial Department of Intergovernmental and Aboriginal Affairs.

The Authority also continued to invest in staff development. Through the Leadership Development Program, all permanent and part-time employees have the opportunity to discuss and learn concepts and tools to enhance their personal leadership effectiveness. As of March 31, 2000, 514 staff have participated in a customized series of workshops that develop personal life skills, focus on self-responsibility, and support the values of mutual respect, recognition, honesty and trust. The Leadership Development Program is helping to foster a supportive, accepting learning culture that embraces diversity and inclusiveness.

Internal Operations

In 1999/2000, the Liquor and Gaming Authority also continued its unique partnership with the federal government to access the Career Centre for Saskatchewan Federal Employees. Through a partnership agreement, Authority employees across the province can borrow a wide range of print, audio, video and CD-ROM learning resource information, and can register for a variety of learning opportunities coordinated by the Career Centre.

To support the Authority's goal of being a learning organization, two new organizational development initiatives were started in 1999/2000: core competencies as a human resource management tool; and a branch learning plan pilot project.

The core competencies initiative will continue into 2000/2001, with additional projects. When fully integrated, the core competency model will inform recruitment and selection, succession planning, performance management, career planning, and learning and development.

The Audit Services Branch was chosen to pilot the branch learning plan project. As of March 31, 2000, branch staff had completed the project plan and started to develop a customized branch learning plan based on the Authority's strategic plan. The project will continue in 2000/2001, with the finalization and implementation of the branch plan. Each staff member will develop individualized learning plans which contribute to achieving the overall branch plan.

The dedicated service of Authority employees was recognized and celebrated at two recognition receptions hosted in Regina and Saskatoon in March 2000. Authority staff who reached career milestones of 10, 15, 20, 25, 30 and 35 years of service with the provincial government during 1999/2000 were recognized.

Corporate Initiatives

To improve business processes, the Authority completed its implementation of the PeopleSoft™ Enterprise Resource Planning ERP System during 1999/2000. The implementation of PeopleSoft™ addresses Year 2000 (Y2K) issues and enhances the organization's financial and human resource business processes. The new system enables the Authority to automate many business processes and improve operational efficiency.

The Authority spent numerous resource days preparing for the implications caused by Year 2000. Functional business units fully tested all aspects of their applications and worked closely with both internal and external information technology personnel. As a result of this diligent work and planning, the Authority did not encounter technology issues relating to the Year 2000.

The Authority also continued its commitment to reducing and removing unnecessary bureaucracy and red-tape through the on-going implementation of its five-year regulatory reform workplan. As a part of the government-wide regulatory reform process, the Authority's initiative is managed by a team of Authority employees to streamline the organization's provision of effective liquor and gaming controls.

In 1999/2000, the Authority also continued its pilot project to test the Balanced Scorecard model of strategic planning and performance measurement, renaming it Balanced Perspectives to better reflect a public sector environment and the grassroots, front-line focus the Authority is taking with this project. Balanced Perspectives is a dynamic and inclusive strategic planning process that provides enhanced performance measurement information and strongly links front line operations with strategic goals and objectives.

The Authority also responded to requests for information filed under *The Freedom of Information and Protection of Privacy Act*. During 1999/2000, the Authority processed 25 requests pursuant to this legislation.

FIVE YEAR FINANCIAL REVIEW

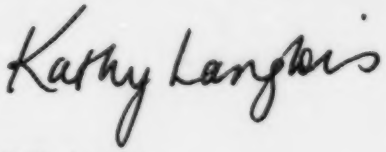
	1995/96 (000's)	1996/97 (000's)	1997/98 (000's)	1998/99 (000's)	1999/2000 (000's)
Sales:					
Liquor Sales					
Spirits					
Canadian	$ 105,422	$ 106,040	$ 109,567	$ 113,900	$ 114,437
Imported	21,271	22,539	21,769	21,418	22,973
	126,693	128,579	131,336	135,318	137,410
Wines and Ciders					
Canadian	13,414	14,094	14,872	15,248	15,920
Imported	11,503	12,099	13,164	13,845	15,452
	24,917	26,193	28,036	29,093	31,372
Beer, Ale and Stout					
Canadian	137,024	138,601	149,636	155,155	158,687
Imported	1,062	1,375	1,835	2,294	2,373
	138,086	139,976	151,471	157,449	161,060
Allied Sales	81	83	79	103	142
Total Liquor Sales	**289,777**	**294,831**	**310,922**	**321,963**	**329,984**
VLT Sales	164,658	173,568	186,853	199,301	214,845
Total Sales	**454,435**	**468,399**	**497,775**	**521,264**	**544,829**
Cost of Sales	(172,157)	(176,182)	(188,204)	(196,206)	(204,157)
Gross Profit	**282,278**	**292,217**	**309,571**	**325,058**	**340,672**
Operating Expense	(45,053)	(48,182)	(50,099)	(51,314)	(50,753)
Casino and Other Income	7,337	8,228	28,460	27,937	24,159
Operating Income	**244,562**	**252,263**	**287,932**	**301,681**	**314,078**
Federal Tax Expense (GST)	(2,483)	(2,564)	(2,781)	(2,752)	(2,747)
Net Income	**242,079**	**249,699**	**285,151**	**298,929**	**311,331**
Beginning Retained Earnings	280,964	233,043	482,742	417,893	386,822
Transfer to General Revenue Fund	(290,000)	0	(350,000)	(330,000)	0
Ending Retained Earnings	**$ 233,043**	**$ 482,742**	**$ 417,893**	**$ 386,822**	**$ 698,153**

Management's Report

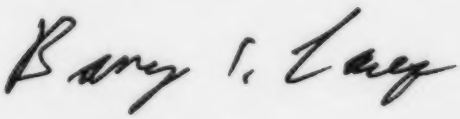
The accompanying financial statements, and related financial information throughout the Annual Report, have been prepared by management using generally accepted accounting principles. Management is responsible for the integrity, objectivity and reliability of the financial statements.

Management of the Authority has established and maintains a system of internal controls that provides reasonable assurance that transactions are recorded and executed in compliance with legislation and authority; assets are safeguarded; there is an effective segregation of duties and responsibilities; and, reliable financial records are maintained. An auditing function exists within the Authority which objectively assesses the effectiveness of internal controls.

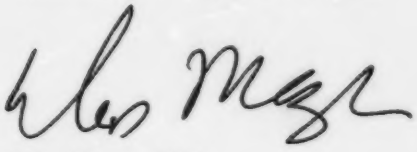
The Provincial Auditor has examined the Authority's financial statements. The Auditor's Report to the Members of the Legislative Assembly of Saskatchewan expresses an independent opinion of the fairness of presentation of the Authority's financial statements in accordance with generally accepted accounting principles.



Kathy Langlois
President/CEO



Barry Lacey, CMA, CA
Vice-President, Corporate Services



Wes Mazer, CMA
Manager, Financial Services

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Liquor and Gaming Authority as at March 31, 2000 and the statements of operations and retained earnings, and cash flows for the year then ended. The Authority's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
March 16, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

LIQUOR AND GAMING AUTHORITY
STATEMENT OF FINANCIAL POSITION

As At March 31

	2000 (000's)	1999 (000's)
ASSETS		
Current assets:		
Cash	$ 849	$ 630
Due from General Revenue Fund (Note 3)	40,922	43,904
Deposit in General Revenue Fund (Note 4)	631,200	318,000
Accounts receivable	11,054	11,898
Prepaid expenses	2,149	1,623
Inventories (Note 5)	14,675	12,488
	700,849	388,543
Capital assets (Note 6)	32,040	26,889
Deferred goods and services tax (Note 7)	515	556
	$ 733,404	$ 415,988
LIABILITIES AND RETAINED EARNINGS		
Current liabilities:		
Accounts payable	$ 11,766	$ 8,110
Accrued pension costs (Note 8)	23,485	21,056
	35,251	29,166
Retained earnings (Statement 2)	698,153	386,822
	$ 733,404	$ 415,988

Commitments (Note 9)

(See accompanying notes to the financial statements)

Statement 2

LIQUOR AND GAMING AUTHORITY
STATEMENT OF OPERATIONS AND RETAINED EARNINGS

For the Year Ended March 31

	2000 Budget (000's) (Note 11)	2000 Actual (000's) (Note 14)	1999 Actual (000's)
Revenues			
Liquor sales (Note 12)	$ 321,633	$ 329,984	$ 321,963
VLT	207,000	214,845	199,301
	528,633	544,829	521,264
Cost of sales	198,183	204,157	196,206
Gross profit	330,450	340,672	325,058
Casino income (Note 13)	15,800	13,374	17,000
Other income (Schedule 2)	8,126	10,785	10,937
	354,376	364,831	352,995
Expenses			
Operating expenses (Schedule 1)	55,170	50,753	51,314
Goods and services tax (Note 7)	3,506	2,747	2,752
	58,676	53,500	54,066
Net income for the year	$ 295,700	311,331	298,929
Retained earnings, beginning of year		386,822	417,893
		698,153	716,822
Transfer to General Revenue Fund (Note 4)		---	330,000
Retained earnings, end of year - to Statement 1		$ 698,153	$ 386,822

(See accompanying notes to the financial statements)

Statement 3

LIQUOR AND GAMING AUTHORITY
STATEMENT OF CASH FLOWS

For the Year Ended March 31

	2000 (000's)	1999 (000's)
Cash flows from operating activities:		
Cash receipts from customers	$ 565,027	$ 546,887
Interest received	4,805	4,643
Cash paid to suppliers and employees	(244,506)	(234,366)
Goods and services tax paid (Note 7)	(2,706)	(2,752)
	322,620	314,412
Cash flows from investing activities:		
Purchase of capital assets	(12,183)	(6,986)
Cash flows from financing activities:		
Cash deposited in General Revenue Fund (Note 4)	(313,200)	(295,200)
Net (decrease) increase in cash	(2,763)	12,226
Cash, beginning of year	44,534	32,308
Cash, end of year	$ 41,771	$ 44,534
Cash consists of:		
Cash	$ 849	$ 630
Due from General Revenue Fund	40,922	43,904
	$ 41,771	$ 44,534

(See accompanying notes to the financial statements)

MARCH 31, 2000

1. Description of Business

The Liquor and Gaming Authority operates under the authority of *The Alcohol and Gaming Regulation Act*. The Authority's mandate is to support, develop and regulate the Saskatchewan liquor and gaming industries and to maximize public benefit through high quality services and products.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles. The significant policies which have been adopted are described below.

(a) Basis of Accounting

These financial statements are prepared using the accrual basis of accounting.

(b) Revenue

Liquor Sales

Sales are reflected in the accounts net of returns, container deposits, GST, Liquor Consumption Tax and discounts.

Licence Fees

Pursuant to *The Gaming Licensing Regulations*, the Authority charges an application fee for gaming licences. A fee based on net revenues generated is levied only on exhibition casino licensees.

Video Lottery Terminals (VLT)

Revenue is recorded net of prize payouts.

(c) Inventories

Inventories of wine, coolers, spirits and beer are valued at the lower of cost and net realizable value.

(d) Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is calculated on a straight-line basis at rates designed to allocate the cost of the capital assets over their estimated useful lives. Rates are as follows:

Buildings	2.5 - 5% per annum
Equipment	15 - 33% per annum
VLTs & Slots	20% per annum

Leasehold improvements are amortized over the term of the lease.

(e) Pension Expense

The cost of pension benefits earned by employees who are members of the Authority's defined benefit plan, known as the Liquor Board Superannuation Plan, is determined using the projected benefit method prorated on the basis of term of service. It is charged in the accounts as an expense as the service is rendered. The amount of the expense reflects management's best estimate of the plan's expected investment yields, salary adjustments, mortality of members, terminations, the ages at which members will retire and ad hoc increases, based upon the Consumer Price Index, to be granted by the Lieutenant Governor in Council.

Based upon the most recent actuarial valuation of the plan, adjustments arising from plan amendments, experience gains and losses and changes in assumptions are amortized over the estimated average remaining service lives of the employees who are members of the defined benefit plan which is 8.5 years. The difference between the amount expensed and the amount funded is reflected as a liability on the balance sheet.

3. Due from General Revenue Fund

Most of the Authority's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Earned interest is calculated and paid by the General Revenue Fund on a monthly basis into the Authority's bank accounts using the Government's thirty day borrowing rate and the Authority's daily bank balance. The Government's average thirty day borrowing rate for 1999/00 is 4.79% (1998/99 – 5.04%).

4. Deposits in General Revenue Fund

These deposits represent advances to the General Revenue Fund pursuant to Section 175(5) of *The Alcohol and Gaming Regulation Act*. These amounts, which are non-interest bearing, are deposited to the credit of the Authority in the General Revenue Fund until Treasury Board directs that they be transferred to the General Revenue Fund pursuant to Section 175(1). Deposits in General Revenue Fund at March 31, were determined as follows:

	2000 (000's)	1999 (000's)
Balance at beginning of year	$ 318,000	$ 352,800
Deposits during the year pursuant to Section 175(5)	313,200	295,200
Transfer to General Revenue Fund pursuant to Section 175(1)	---	330,000
Balance at end of year	$ 631,200	$ 318,000

5. Inventories

	2000 (000's)	1999 (000's)
Wines, coolers and spirits in stores	$ 6,211	$ 5,920
Wines, coolers and spirits in warehouse	7,708	5,449
Beer in stores	756	1,119
	$ 14,675	$ 12,488

6. Capital Assets

	2000			1999		
	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)
Sites	$ 2,074	$ ---	$ 2,074	$ 2,074	$ ---	$ 2,074
Buildings	20,290	9,524	10,766	20,516	9,223	11,293
VLTs	36,669	31,761	4,908	34,903	30,971	3,932
Slots (see Note 13)	10,652	7,165	3,487	10,184	4,490	5,694
Furniture & equipment	19,893	11,067	8,826	13,159	10,051	3,108
Leasehold improvements	5,181	3,202	1,979	3,342	2,554	788
	$ 94,759	$ 62,719	$ 32,040	$ 84,178	$ 57,289	$ 26,889

7. Goods and Services Tax

The Authority is on the prescribed list of lottery corporations pursuant to Section 188 of the Federal *Excise Tax Act*. In lieu of collecting GST on VLT and slot revenue at the retail level, the Authority calculates and remits GST according to a formula prescribed by Revenue Canada.

The formula requires the Authority to pay 14% on the purchase of taxable goods and services related to gaming programs and 7% on VLT site contractor commissions. One-half of the GST paid on gaming program capital assets is set up as a deferred tax and is amortized on a straight-line basis over the useful life of those capital assets.

8. Pension Plan

The Authority maintains pension plans which provide retirement benefits for employees. The Public Employees Pension Plan is a defined contribution plan. Employee contributions to this plan are matched by the Authority on an ongoing basis. The total contributions matched in 2000 were $756,000. This equals the Authority's pension expense for members of this plan.

The defined benefit plan is administered by The Liquor Board Superannuation Commission. It provides superannuation allowances to those employees and Board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

The defined benefit plan provides for superannuation allowances which are based on employees' years of service and their highest five years' earnings. The plan requires contributions from both employees and the Authority. The latest actuarial valuation of the Liquor Board Superannuation Plan was performed at December 31, 1999 by Aon Consulting. The valuation results in an unfunded liability of $28.0 million. This consists of the actuarial present value of accrued benefits in the amount of $42.2 million less the market value of superannuation fund assets of $14.2 million.

The pension liability is based on a number of assumptions about future events like interest and the rate of salary increases. Actual rates may vary significantly from the long term assumptions used.

The Authority is providing for the unfunded liability by accruing as an expense an amount which is in excess of that which has been funded. Included in this accrual are bridging costs and retirement allowances pertaining to the early retirement program and ad hoc increases that are subject to Lieutenant Governor in Council approval. The accrued pension costs as at March 31 was determined as follows:

	2000 (000's)	1999 (000's)
Accrued pension costs, beginning of year	$ 21,056	$ 18,571
Pension expense:		
Current service costs	283	269
Early retirement costs	27	27
Net amortization	3,542	3,408
	3,852	3,704
Less: amounts funded	1,423	1,219
Accrued pension costs, end of year	$ 23,485	$ 21,056

9. Lease Commitments

The Authority, as lessee, is committed under operating leases on leased premises with future minimum payments due as follows:

Year Ending March 31	(000's)
2001	$ 2,673
2002	2,192
2003	1,722
2004	1,592
2005	1,375
Subsequent years	3,274
Total	$ 12,828

10. Fair Value

Cash, due from General Revenue Fund, Deposits in General Revenue Fund, accounts receivable and accounts payable are all short-term in nature and as such their carrying value approximates fair value. Fair value for accrued pension costs has not been included because it is not practicable to determine fair value for accrued pension costs.

11. 2000 Budget

These amounts represent the budget approved by Treasury Board.

12. Liquor Sales

	2000 (000's)	1999 (000's)
Wine, coolers and spirits		
In stores:		
- To permittees	$ 30,558	$ 29,346
- To public	115,612	111,552
	146,170	140,898
To franchises:		
- To permittees	4,976	5,192
- To public	20,151	20,718
	25,127	25,910
	171,297	166,808
Beer		
- To permittees	113,910	111,631
- In stores	41,927	40,585
- To franchises	2,850	2,939
	158,687	155,155
Total	$ 329,984	$ 321,963

13. Agreements with the Saskatchewan Indian Gaming Authority

On February 10, 1995, the Government of Saskatchewan made an agreement (Framework Agreement) with the Federation of Saskatchewan Indian Nations (FSIN), for the purpose of increasing economic and employment opportunities for Aboriginal peoples through casino development within the parameters of *The Criminal Code of Canada*.

To implement the Framework Agreement, the Authority and the Saskatchewan Indian Gaming Authority (SIGA) made agreements for casino operations and slot machine management. The casino operating agreement requires SIGA to pay the net profits from slot machines to the Authority. The slot machine management agreement ensures the Authority recovers at least the cost of slot machines, the related computer system, and interest over 5 years. The net profits from the SIGA operated casinos flow through the Authority to the Government's General Revenue Fund (GRF). The Government retains a portion of those net profits in the GRF and appropriates the remaining net profits to the First Nations Fund (FNF), the Associated Entities Fund (AEF), and Community Development Corporations (CDCs) in accordance with *The Saskatchewan Gaming Corporation Act* and the 1995 Framework Agreement as amended.

Accounts receivable includes $5.2 million (1999 - $6.4 million) due from SIGA.

14. Segmented Information

The Authority operates in three segments - liquor, VLT and other gaming.

The liquor segment reflects the retailing and licensing of beverage alcohol activities within the province.

The VLT segment pertains to the operation of the VLT program under the authority of Section 207 of *The Criminal Code of Canada* and *The Alcohol and Gaming Regulation Act*.

The other gaming segment reflects the activities of casinos operated by the Saskatchewan Indian Gaming Authority (see Note 13). This segment also reflects the licensing and support of charitable and religious organizations who conduct and manage bingos, casinos, raffles and breakopen ticket sales and the regulation and support of the horse racing industry.

The following table shows key amounts by segment. There were no sales or eliminations between segments.

	SEGMENTS							
	LIQUOR		VLT		OTHER GAMING		TOTAL	
	2000 ('000's)	1999 ('000's)	2000 ('000's)	1999 ('000's)	2000 ('000's)	1999 ('000's)	2000 ('000's)	1999 ('000's)
Sales	$ 329,984	$ 321,963	$ 214,845	$ 199,301			$ 544,829	$ 521,264
Cost of Sales	170,959	165,462	33,198	30,744			204,157	196,206
Gross profit	159,025	156,501	181,647	168,557			340,672	325,058
Casino income	---	---	---	---	$ 13,374	$ 17,000	13,374	17,000
Other income	3,840	4,291	2,587	2,550	4,358	4,096	10,785	10,937
Total revenue	162,865	160,792	184,234	171,107	17,732	21,096	364,831	352,995
Operating expenses	32,895	31,221	8,023	11,509	9,835	8,584	50,753	51,314
Goods and services tax	---	---	2,644	2,673	103	79	2,747	2,752
Total expenses	32,895	31,221	10,667	14,182	9,938	8,663	53,500	54,066
Net income	129,970	129,571	173,567	156,925	7,794	12,433	311,331	298,929
Retained earnings, beginning of year	305,883	321,551	70,275	88,764	10,664	7,578	386,822	417,893
Transfer to General Revenue Fund	---	145,239	---	175,414	---	9,347	---	330,000
Retained earnings, end of year	$ 435,853	$ 305,883	$ 243,842	$ 70,275	$ 18,458	$ 10,664	$ 698,153	$ 386,822
Total assets	$ 468,059	$ 334,358	$ 245,474	$ 70,947	$ 19,871	$ 10,683	$ 733,404	$ 415,988
Capital expenditure	$ 3,881	$ 3,956	$ 1,559	$ 394	$ 6,743	$ 2,636	$ 12,183	$ 6,986
Amortization	$ 1,698	$ 1,257	$ 1,577	$ 5,736	$ 2,898	$ 2,544	$ 6,173	$ 9,537

15. Related Parties

These financial statements include transactions with related parties. The Authority is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Authority is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms.

In addition, the Authority pays Saskatchewan Provincial Sales tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The Authority collected the following amounts for the Department of Finance:

	2000 (000's)	1999 (000's)
Container deposits on all wine, coolers, spirits and imported beer products	$ 4,349	$ 4,319
Liquor Consumption Tax	12,164	10,161
Container deposits on domestic beer sales	18,421	17,758

The costs to collect these amounts on behalf of the Department of Finance are borne by the Authority.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

16. Western Canada Lottery Corporation

The Saskatchewan Video Lottery Division of the Western Canada Lottery Corporation (WCLC) managed the video lottery terminals and central computer system on behalf of the Authority throughout the year. WCLC provided accounting, purchasing, cash disbursements, human resources, and technical services for the VLT program. WCLC also manages the slot machines and related computer system at the Saskatchewan Indian Gaming Authority casinos for the Authority (Note 13).

17. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

18. Subsequent events

On June 20, 2000, the Authority announced the formation of a team to perform an investigation of financial management controls at SIGA. The mandate of the team was to investigate how SIGA used public money and SIGA's rules and procedures to safeguard and control public money.

The investigators found SIGA's governance and financial management practices were unacceptable resulting in improper use of public money. Specifically, the investigators found improper use of corporate debit and credit cards by the CEO, inadequate or no support for many payments, unauthorized salary advances, unreasonable travel and accommodation expenses, related party contracts in excess of fair market values, and contracts of indeterminable or questionable value.

In March 2001, the Authority determined SIGA's expenses totalling $2.3 million for the period from November 1997 to June 2000 were not reasonable. The Authority determined SIGA's unreasonable expenses totalled $2.1 million for the period from November 1997 to March 31, 2000 and $0.2 million for the period from April 1, 2000 to June 24, 2000. On March 12, 2001, the Authority informed SIGA about the Authority's final calculations of SIGA's unreasonable expenses. The unreasonable expenses resulted in lower net profit for the above periods.

In accordance with *The Saskatchewan Gaming Corporation Act* and the 1995 Framework Agreement, the net profits of SIGA are shared between the GRF, AEF, FNF, and CDCs (see note 13). Had SIGA not incurred the unreasonable expenses higher net profits would have been available to the GRF, AEF, FNF, and CDCs. The GRFs, AEFs, and CDCs share of the higher net profits would have been $1.36M. Under an Agreement dated December 1, 1995, between the Government and the FSIN, the FNF is responsible for any money that is rightfully due from SIGA. Accordingly, FNF owes the Government's GRF a total of $1.36 million for unreasonable expenses of SIGA.

The Government plans to recover $1.36 million from the future payments out of the GRF to FNF. Accordingly, the Authority has not recorded the recovery from FNF in these financial statements.

Schedule 1

LIQUOR AND GAMING AUTHORITY
SCHEDULE OF OPERATING EXPENSES
For the Year Ended March 31

	2000 (000's)	1999 (000's)
Salaries, wages and fringe benefits	$ 25,738	$ 24,576
Capital asset amortization	6,173	9,537
Professional and contractual services	5,559	3,356
Rent, utilities and insurance	3,954	3,784
Grants	2,719	2,836
Travel and business	1,164	1,044
Stationery and supplies	1,137	1,190
Information technology	1,112	1,416
Communications	969	581
Operations and maintenance	692	1,592
Debit/credit charges	516	440
Service charges and interest	322	326
Customer service programs	248	169
Stock dispositions	169	120
Honoraria and related expenses	124	139
Advertising and printing	90	91
Sundry	67	117
	$ 50,753	$ 51,314

Schedule 2

LIQUOR AND GAMING AUTHORITY
SCHEDULE OF OTHER INCOME
For the Year Ended March 31

	2000 (000's)	1999 (000's)
Interest (Note 3)	$ 4,805	$ 4,643
Slot machine capital recovery (Note 13)	3,223	3,138
License and other fees	1,201	1,473
Miscellaneous	564	691
Permits	471	479
Product displays	438	413
Mark-up collections at borders	83	100
	$ 10,785	$ 10,937

The Saskatchewan Liquor and Gaming Licensing Commission is an independent body which reviews decisions of the Liquor and Gaming Authority with respect to licensing, registration, cancellation and suspension issues. Any licensing party who disagrees with a decision of the Authority has the right to apply to the Commission for an appeal. Except in unusual circumstances, the Authority's decision is stayed by the Commission Chair, pending the ruling of the Commission.

During 1999/2000 the Commission scheduled 39 hearings to address the same number of requests for review of various decisions made by the Authority and objections to permits being granted. Some of the hearings continued into several days. In order to accommodate the public, hearings are scheduled whenever possible at the nearest major centre in the province to the cause of action. Thirteen hearings were held in Regina, and 26 hearings were held in Saskatoon.

The applications have included reviews of the Authority's decisions to grant and to refuse liquor permits and gaming licenses to various establishments, organizations and the horse racing industry. As well, registration, cancellation, and suspension issues, as well as objections to the granting of permits are heard. Of the 39 hearings held, 20 were liquor related, comprised of 11 objection hearings, three suspension hearings, five denial hearings and one hearing which was held to speak to the assessment of a proposed penalty respecting a licensed outlet.

Twelve hearings involved denials and suspensions/cancellation of gaming licenses and/or gaming employee registration certificates. These 12 hearings were comprised of 10 denial hearings, one suspension hearing and one hearing which was held to speak to the cancellation of a gaming registration certificate. There were seven hearings held with respect to horse racing, involving three cases where horses were disqualified in races and four denials of licenses. No hearings were held with respect to casino activities.

One application for review was received by written submission, where the applicant requested no oral hearing and the material submitted was placed before the Commission for review.

Commission decisions are a matter of public record.

As of March 31, 2000, the Commission members are:

Colleen L. Wilson, LL.B.
Chairperson - Saskatoon

Allan Oliver
Vice-Chairperson - Aneroid

Violet Kyliuk
Secretary - Radisson

Elaine Driver
Member - Fillmore

Michele Wilde
Member - Meadow Lake

Gilbert Pelletier
Member - Yorkton

The Commission also has a full-time Registrar/Executive Secretary.

In 1999/2000, the Commission continued internal changes started in 1997 to allow it to have more authority and responsibility for the administration of its own operating budget with accountability directly to the Minister on this matter. Since 1997, the Commission has initiated procedural changes and is currently developing its own policies to continue to ensure equitable treatment of all parties appearing before it. The Commission also makes written recommendations to the Authority regarding any significant regulatory issues that come to its attention through contact with the industries within its jurisdiction. It also continues to stay up-to-date in the changing environment of administrative law.

Taking an active role in the Council of Canadian Administrative Tribunals, the Commission Chair and Vice-Chair attended a conference in Vancouver, B.C., in October 1999 relating to the philosophy of administrative quasi-judicial tribunals. The Commission joined the organization in 1997 in order to gain more knowledge respecting its quasi-judicial function and the relationship it has with the judicial system.

The Commission's primary role is serving as an independent and fair quasi-judicial appellate body mandated to ensure proper application of the legislation and regulations governing the industries over which it has jurisdiction, while ensuring the fairness and integrity of those industries.

LIQUOR AND GAMING AUTHORITY

SUPPLEMENTARY FINANCIAL INFORMATION

FISCAL YEAR ENDING MARCH 31, 2000

(UNAUDITED)

PERSONAL SERVICES

Listed are individuals (excluding unionized employees) for whom $2,500 or more of expenses were recorded for salaries, wages, secondments, honorariums, etc.

Adams, Fiona	62,396
Anderson, Brad	38,888
Babichuk, Larry	51,706
Baird, Darrell	81,583
Banilevic, Valerie	62,396
Barber, Leonard	71,404
Barr, Kenneth	41,691
Barth, Karen	36,460
Baumann, Charlene	35,555
Beaudry, Ron	42,170
Briscoe, Michelle	47,415
Brown, Lorne	80,740
Bryce, Neil	42,552
Bryska, Nelson	53,508
Cameron, Gordon	40,332
Cantin, Ken	47,763
Chartrand, Gilles	33,461
Chaskavich, Patrick	38,020
Chomyn, Lorna	56,171
Claypool, Leary	66,749
Clements, Barry	38,888
Collins, Edmund	40,521
Courchene, Don	41,598
Cribb, Fiona	60,382
Decelles, Marcelle	37,614
Dennett, Lucinda	35,602
Deshaies, James	38,740
Dosenberger, Joe	57,250
Driver, Elaine	6,510
Frankowski, Gwen	66,096
Ganes, Terry	41,851
Glendinning, Peter	101,940
Gould, Jack	51,706
Greensides, Judy	37,271

Haggarty, Cindy	38,888
Harris, Garth	37,596
Hedley, Grant	47,401
Heidt, Arlene	36,547
Helgason, Myrna	36,893
Hertzog, Loretta	11,251
Innes, David	113,603
Ironside, Dennis	49,254
Jacobson, Susan	33,165
Janvier, Jonas	44,203
Jeannotte, Barry	34,162
Keel, Gloria	41,108
Kellington, Dale	41,794
Kostick, Daniel	42,852
Kraemer, Darrin	47,401
Krajewski, Derry	49,002
Kraushaar, Cliff	42,011
Kunkel, Wayne	81,583
Kuschak, Barb	34,676
Kyliuk, Violet	6,045
Langlois, Kathryn	96,054
LaPlante, Ted	51,706
LaRocque, Karen	15,257
Larson, Ron	40,224
Lawrence, David	39,037
Lekivetz, Calvin	59,746
Lillebo, Joan	31,257
Loran, Eva	36,893
Lovell, Melanie	55,919
Lucasavich, Walter	42,570
Ludtke, Dean	20,126
Marr, William	77,602
Mathers, Robert	36,893
Mazer, Wesley	76,070
McBain, Bonnie	14,630
McNally, Derek	62,053
McRobb, Don	66,749
Messer-Lepage, Jacquie	68,205
Mildenberger, Greg	52,187

Mochoruk, Lori	29,343
Morgan, Dianne	56,355
Morin, Debra Lynn	41,691
Newell, Al	50,182
Nystrom, Doug	42,271
Oliver, Allan	8,059
Oystryk, Karen	38,842
Painter, Audrey	35,712
Pangracs, Rodney	66,749
Pawluk, Ron	51,706
Pederson, Janet	36,752
Pelletier, Gilbert	6,510
Perrault, Margo	35,117
Peters, David	58,439
Petit, Ken	39,842
Pion, Josh	52,228
Poole, Brian	62,396
Randall, Charles	44,641
Roske, Percy	36,772
Ruckaber, Gina	36,716
Saal, Barbara	52,726
Sali, Ken	12,534
Sapieha, Richard	36,893
Sawka, Rick	38,888
Schachtel, Augustine	39,037
Schindel, Doug	36,910
Schulz, Laurie	38,481
Schumann, Kathleen	37,170
Selinger, Jim	52,496
Semenuik, Greg	36,893
Shafer, Ray	36,893
Sharp, Sheila	39,400
Slind, Blair	51,725
Stettner, Linda	38,534
Storey, Marvin	37,894
Swan, Bonnie	80,720
Swan, Sam	55,537
Tetzlaff, Kathy	36,893
Thera, Leanne	68,833

Thomson, Lisa	53,508
Tosh, Duane	39,037
Toth, Ron	51,468
Walters, Hal	37,034
Wasnik, Gerald.	31,427
Wawryk, Walter	36,893
Webb, Ted.	38,888
Weber, Paul	96,919
Welch, Dave	51,706
Wilde, Michele	7,750
Wildeman, Michael	37,596
Wilson, Colleen	20,225
Winowich, Rita	36,903
Wirth, Lauren	38,603
Wlodarczyk, John	48,522
Wong, Lillie	70,454
Wood, Lisa Ann	71,404
Ziegler, David	36,893
Total Personal Services	$ 5,963,616

TRAVEL

Hamilton, Hon. Doreen	2,768
Other Travel	1,161,232
Total Travel	$ 1,164,000

(UNAUDITED)

GRANTS IN LIEU OF TAXES

Listed are cities and towns for whom $5,000 or more of grants in lieu of taxes were recorded.

City of:	
Estevan	11,428
Melville	8,638
Moose Jaw	12,553
North Battleford	13,263
Prince Albert	38,075
Regina	251,926
Saskatoon	77,363
Swift Current	14,250
Yorkton	17,279
Town of:	
Assiniboia	5,821
Creighton	9,177
Esterhazy	7,572
Fort Qu'Appelle	7,972
Hudson Bay	6,136
Humboldt	13,583
Kamsack	9,129
Kindersley	9,471
La Ronge	6,247
Maple Creek	5,580
Meadow Lake	19,075
Nipawin	6,732
Preeceville	6,288
Rosetown	8,635
Shaunavon	8,440
Shellbrook	7,342
Tisdale	6,948
Unity	7,300
Wadena	6,071
Watrous	5,335
Wynyard	8,376

LIQUOR AND GAMING AUTHORITY

SUPPLEMENTARY FINANCIAL INFORMATION

1999-2000

Total Cities and Towns	616,023
Grants in Lieu under $5,000	449,420
Total Grants in Lieu of Taxes	$ 1,065,444

(UNAUDITED)

LIQUOR AND GAMING AUTHORITY

*** SUPPLIER ***

SUPPLEMENTARY FINANCIAL INFORMATION

FISCAL YEAR ENDING MARCH 31, 2000

(UNAUDITED)

LIQUOR AND GAMING AUTHORITY

SUPPLEMENTARY FINANCIAL INFORMATION

1999-2000

Listed are suppliers for whom $20,000 or more of expenses were recorded for the provision of goods and services including office supplies, advertising, contracts and equipment, etc. but not including alcoholic products.

A.R. Williams	$ 32,681
A-1 Power Door	30,966
Action Roofing Ltd. .	26,184
Alsort Store Fixtures	64,798
Arcon Services Ltd	56,495
Atomic Transfer Limited	100,445
B. Rajani Architect Ltd.	97,799
Beever's Electric.	24,124
Bell Canada	74,356
Bunzl Distribution	206,819
Business Development Bank of Can.	33,000
C.C. Craig Co. Ltd.	33,365
Canadian Pacific Limited	225,164
Checkpoint Canada Inc.	112,819
Circa Office Interiors Ltd.	26,898
Cite Design	29,493
Compaq Canada	56,783
Comprehensive Computer Consulting	28,290
Cook's McCallum Hill	45,949
Craftex Builders Inc.	109,300
Credit Union Central of Sask.	27,960
Daringer Transport Ltd.	48,573
Data Business Forms	32,139
Davis Ward Consulting	81,715
Diners Club Enroute	56,672
Direct Express	24,097
Dodge City Auto Ltd.	204,245
EDS Systemhouse Inc.	45,237
Exalta Transport Corp.	47,951
F.P.R. Developments Ltd.	227,501
Ficek Transport	20,857
Frank W. Moore Architect Ltd.	26,289
Front Runner Freight	317,049

(UNAUDITED)

Gardewine & Sons Ltd.	21,670
Gene's Ltd	228,584
Geo H. Young & Co. Ltd.	31,700
Giorgio Gori SRL	80,688
Global Kiosk Systems Ltd.	118,824
Goldstein, Jackson, Scharfstein, Gibbings	103,904
Grand Avenue Developments	35,994
Greystone Investments Ltd.	76,454
Groskopf Logistics Services	37,222
Harvard Developments Ltd.	160,805
Harvard Developments Ltd.	244,208
Hawood Inn - Store Lease	64,695
Heritage Investments Ltd	30,059
Human Resources Services Ltd.	53,567
Humboldt Electric Ltd.	136,725
ICR Ashford Property Management	290,423
Independent Agencies	20,242
Innova Envelope	23,151
Inactix International, Canada Inc.	141,689
J.F. Hillibrand Limited	252,463
Jay's Moving and Storage Ltd	159,636
Johnston Pacific*Convey It.	25,963
Ken Wilson Architect Ltd.	75,492
Kindersley Transport Ltd.	597,820
Loomis Armoured Car Service	105,287
Mendelson Films Limited	22,200
Metro Canada Logistics Inc.	51,305
Metro Electrical Contractors	46,405
Midwest Power Products	60,822
Mikohn Gaming Corp.	109,441
Monarch Construction Ltd.	156,173
Montgomery J. Samson Architect	59,638
Morsky Construction	29,650
Mr. Donald G. Head	35,639
NCR Canada Ltd.	163,753
Northstar Consulting	58,107
O & Y Properties Inc.	157,466
Orko Developments Ltd.	27,418

P.S.P. Holdings	140,604
Page Credit Union	29,332
Pensionfund Realty Limited	192,049
PeopleSoft Canada	104,989
Pettick Phillips Part. Archit.	59,833
Price Waterhouse Coopers	109,328
Printcraft Ltd.	25,207
Professional Communication Systems	34,949
Prudhomme Trucks Ltd.	59,790
Q R X Technology Group	31,899
Quill Transport	81,005
Regina Travelodge Joint Venture	54,566
Richard Weisbrod Trucking	37,117
Ridsdale Transport Ltd	332,957
Riocan Real Estate Investment	53,620
Riocan Real Estate Investment	231,194
Rocom Management Ltd.	622,228
Sask Economic Development	48,300
Sask. Energy	137,880
Sask. Power Corporation	509,269
Sask Property Management Corp.	1,347,954
Sask Public Service Commission	132,891
Saskatoon Brier Inc.	23,454
Sasktel CMR	328,502
ST&J Retail Corporation	54,230
Sterling Commerce (Southern) Inc.	21,702
Sunridge Roofing Ltd.	32,047
T. & T. Properties	198,883
Tennant .	37,536
The Cadillac Fairview Corp. Ltd.	100,194
Toshiba of Canada Limited	21,313
Towers Ltd. .	98,833
Triple C Construction Ltd.	48,713
Unidesa Machines	180,670
Victory Construction Ltd.	64,750
Vitran	1,173,306
Walters Industrial Mechanical	27,248
WBM Office Systems (Regina)	185,763

(UNAUDITED)

Whitecap Dakota/Sioux First Nation	22,000
WMS Gaming Inc.	189,130
Woloshyn & Company	201,674
Wright Construction Western Inc.	95,389
Zeigler (France)	63,511
Total Supplier Payments	$ 14,212,584

(UNAUDITED)